

Weekend

FINANCIAL TIMES

Weekend FT The price of truth and justice

A game threatened by technology

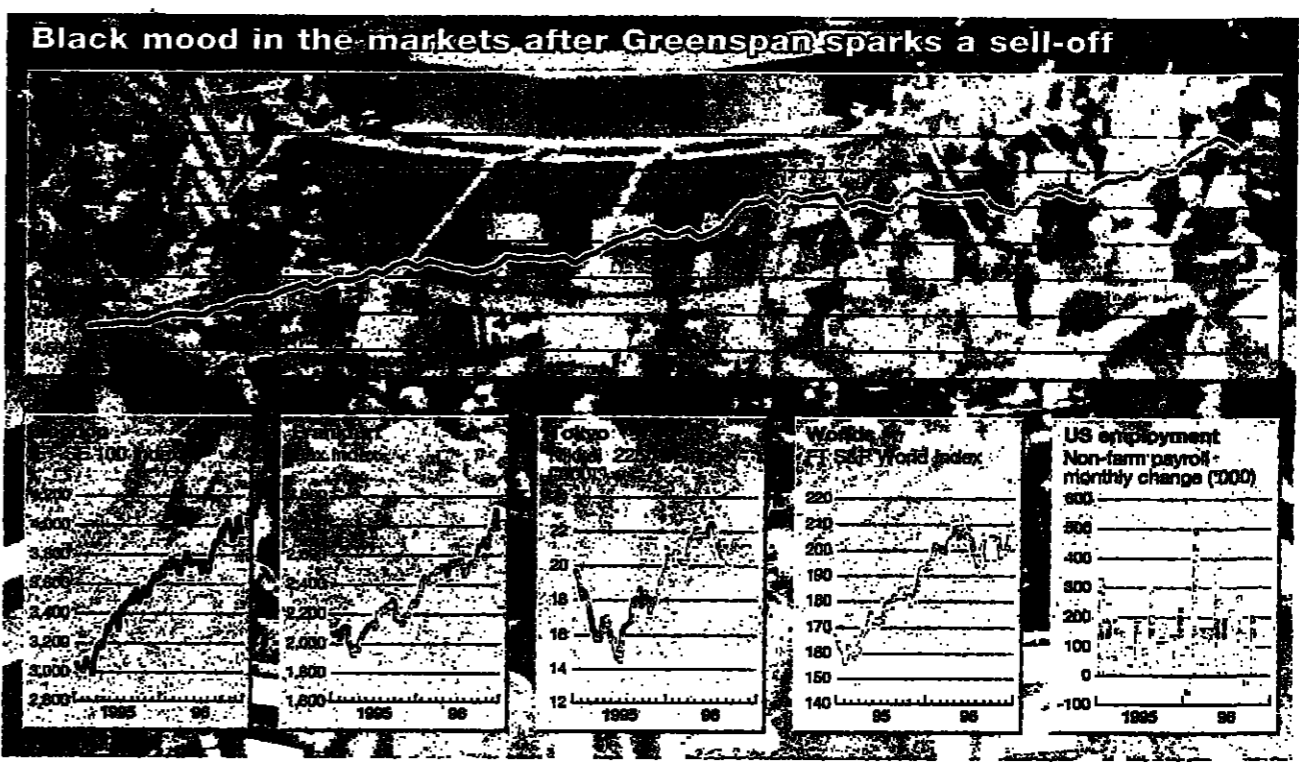
Downtown is on the way up

World Business Newspaper http://www.FT.com WEEKEND DECEMBER 7/DECEMBER 8 1996

FT Mastering Enterprise Part Four: Key financial foundations Serbs give hint of climbdown as EU pressure grows

World markets suffer frantic day

Fed chairman's remarks cause big equity losses as traders fear rate rise



By Philip Coggan in London, Gerard Baker in Washington and Lisa Brannan in New York Greenspan's key words... Fed chairman's remarks cause big equity losses...

Black mood in the markets after Greenspan sparks a sell-off... The Fed has not changed short-term interest rates since it lowered them at the start of the year...

Oil slips on news of Iraqi resumption... Makez dispute worsens... Electrolux to merge N American arms... CallEnergy raises bid for Northern US... BTR backs trend: Industrial conglomerate... Go-ahead for \$2bn Caspian pipeline... France attacks Maastricht draft... Airbus gives Alenia role in small jet... Paris mayor's wife in funds probe...

NTT urged to lead Japanese expansion... By Michio Nakamoto and William Dawkins in Tokyo Mr Ryutaro Hashimoto, the Japanese prime minister...

UK puts conditions on pact between airlines... British Airways and American Airlines would give up slots... Mr Lang's move was widely seen in the City of London as striking a balance between promoting competition...

Survival of Major put under threat... By George Parker, Political Correspondent The ability of Mr John Major, the UK prime minister...

Companies in this issue... For customer service and other general enquiries call: Frankfurt (99) 15685150

Table with 4 columns: US LINCETIME RATES, STERLING, DOLLAR, and CONTENTS. Includes stock market indices and table of contents.

Ten reasons to invest with Fidelity. But here are the real reasons we're the world's leading fund manager. Includes a table of fund performance and contact information.

NEWS: EUROPE

Paris mayor's wife under investigation



New worries for Jean Tiberi

By David Buchan in Paris
The ring of judicial inquiries yesterday tightened around the hierarchy of France's ruling Gaullist party.

contractors and politicians for various forms of false billing, inflated contract commissions and payments for bogus work in and around Paris.

on the department of Essonne. She is not a noted authority on the subject and is alleged to have copied much of her 36-page report out of a book.

arrival of the Tiberis has added a new dimension. Mr Tiberi's two sons were revealed to have rented out their own flats and taken to living in cheaper city housing instead.

Alarmed by such judicial activism, the government instructed the French embassy in Nepal to hire a helicopter and to find the climbing prosecutor.

contacted in time, and the government was left with an expensive helicopter bill and a potentially embarrassing case in train.



Xaviere Tiberi: faces probe

Alenia wins key role in new Airbus aircraft

By John Simkins in Milan

Airbus Industrie, the European aircraft manufacturing consortium, has opened the way to closer collaboration with Alenia of Italy by giving it a key role in 100-seat jet that it is developing with Asian partners.

it common cockpit technology to its A320 series. Alenia, part of the Finmeccanica industrial group, will also be invited to participate in new Airbus aircraft.

and Singapore aviation interests 15 per cent. The balance will be held by the Europeans. Under an accord signed yesterday, the European interest in AE100 will be transferred into a new Airbus subsidiary.

military transport aircraft for European armed forces. Projects include the Future Large Aircraft (FLA), the military transporter seen as a competitor to the Hercules of Lockheed Martin of the US.

step up co-operation with Airbus, said that the money it invested in the programmes would be treated as a "joining fee" to such a company.

and Boeing of the US. Alenia is expected to take on a considerable proportion of development risk in Airbus programmes. It said the accord foresaw it winning a 15 per cent share of the work on the FLA.

Italian police raid Di Pietro

Italian financial police yesterday seized papers belonging to Mr Antonio Di Pietro, the former crusading anti-corruption magistrate, in an operation that involved 300 officers and 60 different raids on homes and offices throughout the country.

France attacks new Maastricht draft

By Lionel Barber in Brussels
France launched an attack on Ireland's draft revision of the Maastricht treaty yesterday, souring the atmosphere ahead of next week's EU summit in Dublin.

and security policy were "encouraging". But Mr Rifkind added that the draft employment chapter "will not create a single job" and that Britain would reject calls to scrap all internal border controls by 2001 as part of a new EU-wide drive for freedom of movement of people inside the Union.

reform of institutions. Mr de Charette, foreshadowing the Franco-German letter, said work so far was "mediocre", lacking in ambition and insufficient to allow the EU to adapt its institutions and decision-making to cope with enlargement to the east.

held if the revised treaty involved devolution of sovereignty to the EU - unless a five-sixth majority in favour of the revisions could be obtained in the Danish parliament.

Brussels warning over US maize
Fears grew yesterday of a trade row between the European Union and US over genetically modified maize, after allegations that shipments of the US grain might have entered the union in breach of EU rules.

Brussels warning over US maize

However, a US official vehemently denied any knowledge that shipments of the maize had arrived in EU exports. "We have been tracking the movement of grain and we have not found evidence of such shipments," a US official said.

German companies sceptical on Emu

Nearly half the companies in Germany's most populous state believe economic and monetary union will do them more harm than good and only 15 per cent have taken concrete steps to prepare for the single currency, an authoritative central bank survey disclosed yesterday.



Mr John Bruton, the Irish prime minister (above left with German Chancellor Helmut Kohl), said yesterday he was optimistic that debate over Germany's demands for an economic and monetary union stability pact could be resolved swiftly.

because of its borders with the Netherlands and Belgium. Industrial companies, which accounted for 57 per cent of respondents and employ 1.8m, were more enthusiastic than the trading or construction companies polled.

Row over Lower Saxony pay deal tax compromise

By Ralph Atkins in Bonn
Employers' leaders yesterday voiced serious concerns over the pace of economic reform in Germany after a landmark pay deal in Lower Saxony threatened to override efforts to cut labour costs and overhaul the country's generous sick pay provisions.

By Chancellor Helmut Kohl's ruling coalition in Bonn. Legislation earlier this year allowed payments to be cut to 80 per cent of wages but attempts by big businesses to take advantage of the change sparked protests against groups such as Daimler Benz, the motor and defence concern.

Germany's government and opposition yesterday compromised on a long-disputed package of tax changes due next year, but reached no agreement to abolish the local trading capital tax which has been branded a job killer.

Germany's government and opposition yesterday compromised on a long-disputed package of tax changes due next year, but reached no agreement to abolish the local trading capital tax which has been branded a job killer.

These will largely compensate for the DM9.3bn which the states will lose through the decision of the government not to levy wealth tax for Germany to meet the Maastricht criteria for economic and monetary union next year.

US-Cuba immigration move

Cuba and the US are considering widening the scope of existing bilateral immigration accords to allow the return to Cuba of all Cubans who arrive illegally in the US, not just those intercepted at sea.

Sino-US discord on textiles

Chinese and US negotiators have failed to reach a compromise on renewing a bilateral textiles pact due to expire at the end of the year.

No pact on biological weapons

Resistance by developing countries has thwarted an attempt by western nations to conclude a binding pact by 1998 aimed at detecting violations of a United Nations treaty banning biological weapons.

Mexico sells \$1.4bn railway

The first major privatisation of President Ernesto Zedillo's two-year-old government has been completed with the sale of Mexico's 4,000km North-east Railway network to Kansas City Southern Industries, the US rail carrier, and Transportación Maritima Mexicana (TMM), Mexico's leading shipping company.

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It ain't what you say, it's the way that you say it

Gerard Baker on how two words from Alan Greenspan sent world equity and currency markets into a nosedive

Few people in the world choose their words as carefully as central bankers. Every phrase and nuance of everything they say is scrutinised by financial markets. Billions of dollars can be knocked off the value of assets by a single stray adjective.

So when Mr Alan Greenspan, the chairman of the US Federal Reserve, talked on Thursday about "irrational exuberance" in stock markets, you can be certain he was not simply exploring interesting new frontiers of rhetoric. He was up to something.

In the frenzy of selling yesterday that followed the Fed chairman's remarks, it was not always clear what Mr Greenspan had actually said. In the speech, about the current challenges facing monetary policy-makers, he did not say equity prices were now being driven by irrational behaviour. He merely posed the question: "How do we know when irrational

exuberance has unduly escalated asset values, which then become subject to unexpected and prolonged contractions...?"

Mr Greenspan was, on the face of it, simply restating orthodox central bank policy that due weight should be given to the movement of asset prices when forming monetary policy judgments. But it was the timing of the remarks that made them so critical.

For almost a year, US monetary policy has been on hold. Occasional fears that the Fed might raise interest rates to restrain inflation have repeatedly proved unfounded. The main reason the Fed has not acted is that, in spite of continuing growth in demand and tightening labour markets, there has been little evidence from the main indicators that prices are beginning to accelerate. The rate of increase in the consumer price index has hovered around the 3 per cent mark for most of 1996,

and there has been little significant upward movement in the factors that feed it: wholesale prices, raw material costs or labour costs.

But Mr Greenspan has now given warning that those traditional measures of inflation are not the only ones the Fed is considering as it determines the next move in interest rates. In his speech, he talked about the shortcomings associated with the conventional price indices and he acknowledged that the growing complexity of markets rendered the figures less useful than in the past. And he said movements in asset prices were important, since they simply represented prices of claims on future goods and services.

"Evaluating shifts in balance sheets generally and in asset prices particularly must be an integral part of the development of monetary policy," he said.

Investors interpreted the speech as a warning shot

across the bows and sold equities heavily. "It's now clear Mr Greenspan is less concerned about the traditional measures of inflation and more concerned with the way the financial markets have been behaving," said Mr Ned Riley, chief investment officer at the Private Bank at the Bank of Boston.

Also significant was the Fed chairman's allusion to the Japanese experience of the last decade. Asset prices there rose rapidly in the late 1980s to unsustainable levels, and promptly collapsed in the early 1990s, pushing the economy into its worst recession for 50 years. Mr Greenspan's citation of Japan is especially apposite, since, while asset prices there were accelerating, standard indices of inflation in goods and services showed little upward movement. The Bank of Japan was subsequently widely criticised for having failed to act faster to stop the "bubble



Alan Greenspan: merely posed a question

Prices tumble on brink of Iraqi oil sales

By Robert Corzine in London and Michael Littlejohns in New York

Oil prices tumbled yesterday on news that Iraq may resume petroleum exports by the middle of next week.

Brent Blend, the North Sea crude that serves as a global price benchmark, fell more than 60 cents a barrel at one stage before recovering in late trading in London to around \$24.25, 38 cents down on its close on Thursday.

Oil traders have speculated that prices could fall by a couple of dollars when Iraqi oil moves onto world markets.

The uncertainty of when that will happen was lifted yesterday when officials at the United Nations in New York confirmed that the final administrative hurdle should be cleared within three days.

They said Mr Boutros Boutros Ghali, the secretary general, could soon certify that all the conditions set by Resolution 986, the basis of the oil-for-food plan, have been met.

The first sales contracts are expected to be approved within 24 hours of the secretary general's report.

Mr Edward Ghechem, the deputy US Security Council delegate, warned Iraq's President Saddam Hussein yesterday that implementation of the oil-for-food plan would not make the Security Council any less resolute in seeking Iraq's compliance with all UN resolutions.

He spoke after Mr Rolf Ekeus, head of the UN arms inspection team, reported he

was still being prevented from removing missile engines for analysis in a US laboratory.

Mr Ghechem said UN sanctions would not be lifted "any time soon with the kind of behaviour we are seeing Iraq display today".

Under the oil-for-food scheme Iraq will be able to export \$2bn of oil every six months to pay for essential civilian supplies. Some of the funds will be set aside for reparations to victims of Iraq's invasion of Kuwait. The oil sales will also support the UN arms inspection programme in Iraq.

UN officials voiced confidence last night that more than 1,000 monitors would be able to ensure that Mr Saddam does not violate UN rules.

All financial transactions will be done through an escrow account established by the UN with the Banque Nationale de Paris. More than 150 UN monitors will supervise the food distribution, while 32 international customs officers will check imports, including those going in through Jordan.

The Security Council yesterday received assurances from the Dutch company Saybolt that vital metering equipment was functioning properly after repairs done by the Iraqis.

Ten oil inspectors from Saybolt will monitor shipments in Iraq and four others will be on duty in Ceyhan, the oil pipeline's Turkish terminal, to ensure that Iraq exports are limited to the volumes needed to meet the UN financial target.

Bolivia sells oil industry in \$835m deal

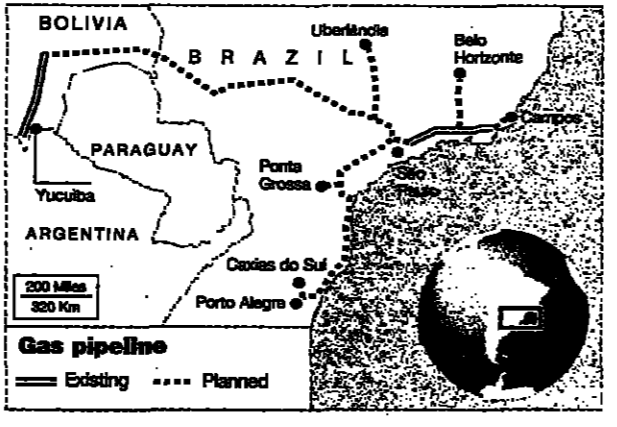
International companies take over 59-year-old state enterprise in novel privatisation

By Sally Bowen in La Paz

Bolivia has joined the handful of Latin American countries which have handed responsibility for developing their oil and natural gas reserves to private enterprise.

In a ceremonial opening of sealed-envelope offers in La Paz, a series of big international oil companies became Bolivia's new strategic partners on Thursday night under the mechanism known as "capitalisation" in a deal worth \$835m.

Under capitalisation, winners acquire a 50 per cent stake in YFPB, the state oil and gas company, and full management control. The remaining 50 per cent passes to the Bolivian people in the form of shares, and a local capital market is instantly created. Dividend income from shares traded is ear-



marked to support a universal pensions scheme to be managed by two private fund administrators.

Unlike standard privatisations which swell treasury coffers, the new partners' contribution goes directly into the former state company as a fresh capital injection.

Capitalisation thus ensures quick investment while avoiding the problem of large cash sums which cannot be spent without generating inflation.

Initial scepticism now seems to have been overcome. The bidders were all big international names. A consortium formed by Enron of the US and Shell, the Anglo-Dutch conglomerate, takes control of the transport unit, Transportadora Boliviana de Hidrocarburos, which will operate the huge natural gas pipeline to south-west Brazil to be built soon. The Enron/Shell offer of \$263.5m was \$50m ahead of rival bids from Nova Gas of Canada and Williams International of the US.

Responsibility for Bolivia's two large oil and gas fields - and the urgently needed development of reserves crucial to the success of the pipeline - goes to Amoco and an Argentine consortium formed by YPF, Perez Companc and Pluspetrol. Amoco offered \$306.7m for the Chaco field, the Argentine consortium \$261.8m for Andina. Spain's Repsol narrowly lost both bids.

Capitalisation in effect

puts an end to Bolivia's 59-year-old state oil company, YFPB. Although popular opposition has forced the government into retaining a vastly reduced YFPB to run three refineries and four small pipelines and negotiate contracts for all practical purposes, management of the Bolivian oil and gas sector is now in private, foreign hands.

The \$835m offered was below some optimistic predictions but above book value of the three units. Most important, the capital injection will markedly increase spending on exploration. For years, and despite its enormous possible and potential reserves, YFPB has been unable to invest more than \$60m a year on bringing those reserves into the proven category.

Bolivia's capitalisation

alternative may soon be repeated elsewhere in Latin America. High-level delegations from Haiti (including President René Préval) and the Dominican Republic attended the ceremony. They and other leaders view capitalisation as more acceptable politically than privatisation.

At the end of 1995, Bolivia's reserves of natural gas were estimated at 4,500bn cubic feet. Although that is small by world standards, there is strong demand for Bolivian gas in Brazil, especially in the industrialised area around São Paulo.

World oil prices: the Iraqi effect

2-month forward, \$ per barrel

The graph shows a significant price drop in late 1996, coinciding with the news of Iraqi oil sales. A note indicates that Iraq says it will start pumping from Dec 10. Another note mentions an agreement on resolution. The price recovers slightly but remains below the 1995 levels.

What if the real cost of airline loyalty schemes to your company?

travelling executives were choosing flights which earned maximum points rather than sticking to airlines offering the most economic flights

The Financial Times 7/10/96 (from MORI survey)

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COMPANIES AND FINANCE: UK

CalEnergy raises Northern bid to £782m

By Simon Holberton and Jane Martinson
CalEnergy, the US independent power producer, yesterday surprised the City by increasing its hostile offer for Northern Electric...

accept by bringing the bid's closing date forward to December 20, two weeks ahead of the 60 days normally allowed...

not deepen the debate about the true value of Northern. CalEnergy's offer represented "compelling value," he said.

Prudential added. Another large shareholder said Northern was worth more than 60p. "But it is very difficult to reject a bid when you know the price will fall below the bid price if it fails."

16. Northern had planned to delay publishing its second defence until after Mr Lang spoke; last night, however, it was considering bringing its defence forward to next week.

promised shareholders to pay a 50p special dividend next February. Utilities analysts were perplexed by CalEnergy's decision to raise its offer and shorten the bid timetable.

Confident BTR bucks market

By Ross Tieman
BTR, the industrial conglomerate, became virtually the only company in the FTSE 100 index to buck yesterday's market slide after it issued a confident trading statement.

higher than expected interest charge. Kleinwort Benson cut its forecast by 50m to £1.23bn, citing currency translation factors, and also pared its forecast for 1997 by £100m to £1.29bn.

Local brew: Ralph Findlay (left), financial director, and David Thompson celebrate the regional breweries' return to form

Wolves banks investment results

By Roderick Oram, Consumer Industries Editor
Wolverhampton & Dudley Breweries returned strongly to form in the second half of the year in one of the best recent performances from regional brewers.

group would continue to build on its knowledge of the Midlands and north-east. "We're a regional brewer not a dwarf national."

Trading profits from managed pubs were up 15.6 per cent at £35.3m, or by 4.4 per cent on a like-for-like basis, comparing favourably with other regionalists.

A proposed final dividend of 11p makes 17p for the year, up 11.1 per cent. Earnings per share were 45.4p excluding property disposals, up 10.5 per cent.

GEC hit by exceptionals

By Bernard Gray, Defence Correspondent
The General Electric Company yesterday reported a modest 5 per cent growth in exceptional profits from £402m to £421m in the six months to September 30, but the figures were overshadowed by exceptional charges of £160m, leaving the pre-tax outcome at £261m.

Turnover by 16 per cent to £1.4bn and profits by 35 per cent to £108m. GEC also won orders from the Ministry of Defence for two marine assault ships for the Royal Navy worth about £500m and a £650m order for anti-tank missiles for the Royal Air Force.

Lower beer volumes to its tied estate and margin pressure in the wine retailing business hampered first-half profits growth at Fuller Smith & Turner.

aging director, said the managed estate was facing intense competition from other groups investing in new concepts.

stores, and listings for the ESB and 1845 beers were increasing.

the full year were trimmed from about £11.3m to just below £11m. The managed houses have been feeling the chill winds of competition in the London area.

Brasway ahead 32%

An improvement in operating margins and a turnaround at its loss-making Excelcube subsidiary helped Brasway, the hydraulic engineering group, to a 32 per cent increase in interim pre-tax profits to £1.39m after providing for an exceptional £100,000 loss on a property disposal.

Turnover for the six months to October 31 was down from £20.2m to £19.8m. This was largely as a result of reduced volumes at Excelcube, where a policy of turning away low-margin work and cutting costs helped turn a £1,000 loss into operating profits of £222,000.

OEM slips into the red

OEM, the property group, slipped into the red with pre-tax losses of £180,000 for the year to June 30 against a profit of £451,000.

Chrysalis £5.37m in loss

Chrysalis, the media and music group developing new radio stations and trying to build up a new record label, is hoping to break even in 1998.

Greenalls sells

Greenalls, the brewer and hotels company, has sold six hotels in the US to Shamer Hotel of Pennsylvania for \$22.8m (£14m) in cash.

Pannell Kerr

A headline in yesterday's FT incorrectly suggested that profits at Pannell Kerr Forster had fallen. It reported a 38 per cent increase in profits from £11.3m to £15.6m in its maiden set of extended financial results.

NEWS DIGEST

Dewhurst dips to £777,000

Dewhurst, the electrical components manufacturer, has blamed lower sales, worsening margins and start-up costs in the US for a sharp fall in full-year profits.

Haemocell to raise £2m

Haemocell, the loss-making medical equipment supplier, is to raise £2m, net of expenses, in a placing and open offer and transfer its listing from the USM to Aim.

Promising trials for Scotia

Scotia, the biotechnology company that specialises in exploiting fat-like compounds as drugs, has had promising results in clinical trials with a drug to treat severe weight loss in cancer.

Provision hits Bearing Power

Following last week's profit warning, Bearing Power International, the distributor of power transmission components, reported full-year pre-tax losses of £79,822 compared with profits of £209,250.

King & Shaxson at £1.99m

Including merger costs of £1m, King & Shaxson Holdings, the private banking house, reported pre-tax profits of £1.99m for the six months to October 31, slightly ahead of last time's £1.95m.

Table with columns: Share, Price, Change, Dividend, etc. Includes entries for various companies like Baring, British Airways, etc.

MAJOR PUBLIC AUCTION as result of Declaration of Bankruptcy against Adriano Rueding Oriental Carpets, exclusive specialist contractor supplier of highest quality Handmade Eastern Carpets...

RESULTS table with columns: Company, Turnover, Pre-tax profit, EPS, Dividends, etc. Lists companies like Baring Power, Brasway, Chrysalis, etc.

Table with columns: Share, Price, Change, Dividend, etc. Lists companies like Baring, British Airways, etc.

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COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Gold rallies as shares fall

By Susanna Voyle

Gold's week in the doldrums ended with a surge yesterday after the price in London picked up on falling share and bond prices. However, after climbing to \$374.50 at one point yesterday, the price slipped back as shares recovered to close at \$369.65. On Tuesday the metal crashed through the \$370 a troy ounce level to close at \$367.85 - a three-year low and down \$3.20 from Monday's close.

Dealers suggested that gold was collapsing under the weight of producer selling, while would-be buyers were standing back waiting for the price to fall further. The spectre of central banks selling off their gold reserves ahead of European monetary union continued to worry the markets. London was dogged with rumours all week - which reached their peak on Thursday with traders suggesting that 600,000 ounces had been sold. This triggered heavy investment fund selling and ensured that Thursday's gold price failed to move much above Tuesday's low.

Mr Tony Warwick-Ching of CRU Precious Metals Monitor said sales of reserve bullion would be a painless way for certain countries to meet Emu membership criteria. "The market fears a scramble to be first through a fleeting window of opportunity," he said.

Mr Warwick-Ching said it was the range of bankers "prepared to think the unthinkable" that was doing the damage. "Possibly, the market could absorb a lot more official sales. Whether it can absorb more talk of them is another matter."

He suggested that any recovery would not prove stable and he was looking for a near-term range no better than \$365-\$375. In London platinum slumped to a three-year low yesterday. In afternoon trading the metal fell to \$370.25 per ounce. Earlier it had briefly traded at a discount to gold - after the gold rally.

On Tuesday selling by investment funds had pushed the price to \$378.75, then a three-year low. Copper for three-month delivery fell yesterday to close at \$2.140 - after a week which was volatile, but did not result in the turmoil that had been feared.

Dealers said the fall yesterday - from Thursday's close of \$2.179 - came after an increase of more than 6,000 tonnes in London Metal Exchange Stocks. Thursday had seen a loss of \$29 on the day due to fears of an increase in stocks. Wednesday's exercise of options passed off quietly after two days of slipping prices and the narrowing of the premiums for copper for immediate delivery.

Oil prices fell yesterday after a bullish week. In afternoon trading, Brent Blend for January delivery - the internationally recognised benchmark - was \$23.50 a barrel, against Thursday's International Petroleum Exchange close of \$24.63. Pressure on prices came from news that workers at one Elf refinery had voted to end their nine-day strike and traders guessed that workers at the other two Elf refineries may follow suit. Further pressure on prices came from profit-taking and earlier speculation that Iraq expected to sell oil from Tuesday. In late trading the price rose to \$23.95 and then quickly lifted to \$24.05.

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Metal, Price, Change, High, Low, Vol, Open. Includes Aluminum, Copper, Lead, Nickel, Tin, Zinc, and various grades.

Precious Metals continued

GOLD COMEX (100 Troy oz; \$/troy oz)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows gold price movement from Dec 1 to Dec 7.

PLATINUM NYMEX (50 Troy oz; \$/troy oz)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows platinum price movement.

SILVER COMEX (50,000 Troy oz; \$/troy oz)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows silver price movement.

ENERGY

CRUDE OIL NYMEX (1,000 barrels; \$/barrel)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows crude oil price movement.

HEATING OIL NYMEX (100,000 gallons; \$/gallon)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows heating oil price movement.

NATURAL GAS NYMEX (10,000 mcf; \$/mcf)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows natural gas price movement.

GRAINS AND OIL SEEDS

WHEAT LFFE (\$ per tonne)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows wheat price movement.

WHEAT CHC (\$/bushel; \$/bushel)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows wheat price movement.

MAIZE CHC (\$/bushel; \$/bushel)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows maize price movement.

BARLEY LFFE (\$ per tonne)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows barley price movement.

SOYABEANS CHC (\$/bushel; \$/bushel)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows soyabean price movement.

SOYABEAN MEAL CHC (100 tonnes; \$/tonne)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows soyabean meal price movement.

POTATOES LFFE (\$/tonne)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows potato price movement.

FUTURES DATA

Table with columns: Commodity, Price, Change, High, Low, Vol, Open. Summary of futures data.

SOFTS

COFFEE LFFE (\$/tonne)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows coffee price movement.

COFFEE CHC (10 tonnes; \$/tonne)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows coffee price movement.

COFFEE (COC) (\$/cwt)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows coffee price movement.

COFFEE (COC) (\$/cwt)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows coffee price movement.

COFFEE (COC) (\$/cwt)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows coffee price movement.

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Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows coffee price movement.

MEAT AND LIVESTOCK

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LIVE HOGS COMEX (40,000 lbs; \$/cwt)

Table with columns: Date, Price, Change, High, Low, Vol, Open. Shows live hogs price movement.

PORK BELT COMEX (40,000 lbs; \$/cwt)

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LONDON SPOT MARKETS

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FT Fixed Interest Indices table showing fixed interest indices.

BUSINESSES FOR SALE advertisement with contact information.

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UK Gilts Prices table showing UK gilts prices.

UK Gilts Prices table showing UK gilts prices.

COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Saturday December 7 1996

A winter of discontent

Time and hope are running out for Mr John Major's administration. The loss of its majority at Westminster following the withdrawal of his support by Sir John Goss puts a question mark over the timing of the forthcoming general election. It no longer seems quite so certain that Mr Major will be able to go to the country at the time of his choosing next May.

This week has seen the government lurch from crisis to crisis. Strained relations between the prime minister and Mr Kenneth Clarke, the chancellor, over the European single currency have reflected a more general fracturing of cabinet discipline. On the Conservative backbenches, Mr Major faces open defiance from his party's Eurosceptics. If needed, their demand for Mr Clarke's dis-

missal and the scrapping of the present wait-and-see policy on ERM would lead to the certain destruction of the government. Of itself, Sir John's decision may have limited practical effect. With two by-elections pending, it was always expected the government would soon lose its majority. For the moment, at least, the Ulster Unionists offer tacit support.

But it represents nonetheless a big psychological blow. Mr Major is the first prime minister since Lord Callaghan in 1979 to govern without a majority. The indignities of that dying administration are well remembered. Unless the Conservatives regain some sense of purpose in this winter of discontent, we shall reach a moment when the voters must be given their choice sooner rather than later.

Party pooper

You are drunk! the chairman said. And men in dealing rooms all over the world straightened their ties, blinked at their screens and marked down equities. That is not exactly what Mr Alan Greenspan, chairman of the US Federal Reserve, said on Thursday night, but it is what the markets heard.

His actual words, which sent Tokyo stocks down by 3 per cent and pushed Wall Street 2 1/2 per cent lower at the opening, were "irrational exuberance". Mr Greenspan explained at a dinner engagement that this party spirit could create a stock market bubble with serious effects on the economy.

The vigour of Mr Greenspan's phrasing leaves little doubt that he meant the world to hear. But he kept his intentions decently obscure by adding that central bankers need not worry about a collapsing bubble if they thought it would not threaten the real economy.

No doubt the Fed has become worried by an assumption in the markets that slower US economic growth might induce it to cut (or not raise) interest rates. A rampaging bull market might also worry the authorities, Mr Greenspan suggested, while leaving in doubt what they would do about it.

Certainly, the six-year run on Wall Street is beginning to spill into other asset prices, such as property and the art market. The Dow Jones Industrial Average has risen 25 per cent since the summer of 1994. By most measures, stocks are very highly

valued. Dividend yields, for example, have fallen in the last two years from about 3 per cent (the long term average) to 2 per cent. Similarly, "Q" ratios, which compare the market valuation of a company with the value suggested by its balance sheet, have been suggesting to many analysts that shares are highly priced.

But in recent weeks such arguments have seemed to carry no weight at all in the equity market, although US bonds and the dollar have been somewhat weaker. Analysts such as Abby Joseph Cohen of Goldman Sachs have kept the exuberance flizzing by suggesting that, because of a fundamental shift in corporate profitability, these ratios do not mean what they used to.

Be that as it may, by the weekend the markets were taking Mr Greenspan's words in the spirit he doubtless intended: as a warning to water down the exuberance rather than to stampe for the exit. Jobs figures suggesting a further slowing of the US economy contributed to the mood of sobriety.

Anxious memories of October 1987, when the Dow plunged 28 per cent almost overnight, dragging world markets with it, were recalled only briefly. This time the pressures from Europe for a rise in the dollar and from economic expansion in the US are more subdued, while rates of return on American business capital are almost three percentage points higher. So history is unlikely to repeat itself. Not exactly.

Tight spot for blue-eyed boy

George Simpson has limited room for manoeuvre in his efforts to restructure GEC and make the business grow, says Bernard Gray



In September George Simpson, the blue-eyed boy of British industry, went to run the General Electric Company, Britain's biggest manufacturer. After only two months of kicking the company's tyres Simpson might be beginning to wonder whether he is in danger of becoming the manager of the UK's biggest investment trust.

It is true that yesterday's announcement of GEC's half-year results contained many promises of action from the company's new managing director. The company has written down the value of some businesses as a prelude to selling them soon. More money has been set aside to rationalise newly-bought businesses and to restructure some existing operations.

GEC is being reorganised into five divisions: power engineering, telecoms, defence, industrial, and its US operations, each of which will report directly to Simpson. A strategic review is under way to decide where the company should focus its efforts. Early indications are that GEC Alsthom, the joint venture with Alcatel of France in power engineering and transport, and the US operations - such as Gilbarco, a petrol pump maker, Videojet, a manufacturer of inkjet printers, and Picker, a medical equipment business - may offer scope for development, while much of the long tail of industrial businesses may go. Defence will also be a vital element in the strategy.

"I want to re-establish growth and momentum in the business," said Simpson yesterday. "While I don't want to anticipate the results of our strategic review there are clearly areas which have potential and others which do not really belong inside GEC."

And yet, for all the bustle and bustle of a new broom sweeping clean, Simpson must be finding his room for manoeuvre extremely limited.

Half of GEC's turnover last year came from companies over which it has only partial control through joint ventures. As well as GEC Alsthom, these are GPT, the telecoms venture with Siemens of Germany, and General Domestic Appliances, a white goods link with GE of the US.

Unless GEC's other partners want dramatic action in those businesses, it is hard for Simpson to generate much momentum. He may be certain that GEC's long standing and legendary financial controls will prevent any melting-down of profits, but he cannot actively push these businesses forward either.

That leaves GEC-Marconi, the defence electronics subsidiary, and the old Industrial Group, a lucky dip of assorted operations, as the only wholly-owned assets for Simpson to play with. They are also the only levers of power he can pull on to steer the company's in the future.

The Industrial Group is being split in two, in a move which looks suspiciously like a division into sheep and goats. The US operations are all highly profitable, although even their most avid fan would not claim that they had much in common. Even so, Simpson clearly hopes that these could form a core around which a growing US division could be built. Most of the rest of the industrial companies - many of which are UK-based - are, in a not-so-subtle way, being polished up for sale.

While the US division might cohere and grow, it is hardly the springboard for an expansion which will revolutionise GEC. As a lever of power, the Industrial Group is short and not well connected. Hence, then, is the one big lever which Simpson has left.

and GEC-watchers are beginning to wonder in which direction he will pull it.

Lord Weinstock, the long-serving GEC managing director who retired in September, was keen for Marconi to go into a joint venture with Thomson-CSF, the defence arm of the French electronics company. This clearly made industrial sense, since there was a great deal of overlap between the two businesses in areas such as avionics, military flight control systems and missiles. Bringing them together would eliminate duplication and play an important part in rationalising the badly splintered European defence industry.

Unfortunately for Lord Weinstock, the French government initially decided to sell Thomson to the Lagardere Group, a mis-

government of France to decide what to do with Thomson, and we have also said we would like to work with whoever buys the business. But that may take some time, and I think we need to be more pro-active."

In looking for that action, Simpson could try to strike a deal with another Continental company, but no other candidate offers such a clear overlap with Marconi as Thomson-CSF. He could equally look to the US, but American restrictions on foreign access to defence technologies would make that hard. The only other logical place to look for a defence deal is with GEC's old sparring partner and Simpson's alma mater, British Aerospace.

Pooling BAE's defence business with that of GEC would not produce savings on the same scale as a deal with Thomson, because the business overlap is smaller. GEC is by and large a supplier to BAE rather than a competitor. It would also land Simpson with the same investment trust problem.

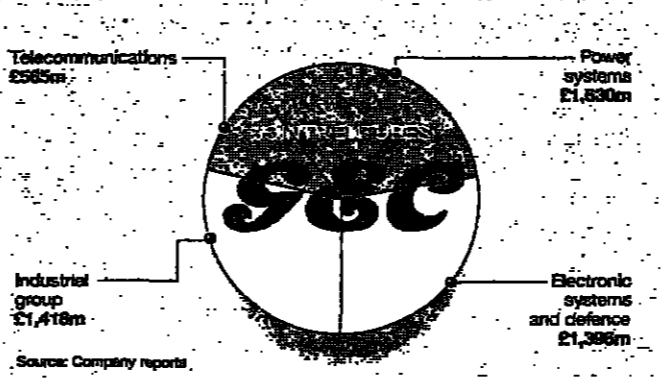
Yet it would resolve some difficulties on complex and under-managed programmes such as the £40bn Eurofighter project. Crucially, such a deal might be easier to complete than a Continental tie. Simpson might even make a case that GEC's stern financial control and BAE's marketing flair would make a powerful combination.

Given the trend of mega-mergers in the US defence industry, some European executives are also starting to argue that the European industry will eventually end up as one large aerospace company, embracing fighter manufacturing, helicopters, Airbus, space and defence electronics.

If that is the case, why, does the order in which this happens matter? Does it matter whether fighter makers merge with fighter makers and electronics companies get together with electronics companies in cross-border deals, only to merge into one large group later? The alternative of mergers between national aircraft makers and electronics companies into other national defence champions, which then combined in a European super-company, would achieve the same end.

There are very significant risks to competition - and to international collaboration - in such national tie-ups. But the very fact that this kind of thinking is about in the industry, and the difficulty that European companies have had in striking cross-border mergers, suggests that Simpson may be tempted by a BAE deal. If he is, and he could structure something in a way which did not leave GEC as an investment trust, he might even have a manufacturing business to run.

GEC's half-year turnover to September 1996



LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Notion that aid is wrong disproved

From Mr David Bryer.

Sir, Michela Wrong uses the good health of returning Rwandan refugees as evidence that "aid agencies' credibility took a battering" ("Killing with kindness in central Africa", December 3). Those 500,000 were in good health because they had remained in a camp where the aid systems, including an Oxfam water supply run by local staff, continued to function. Their survival and return disproves the notion, which Ms Wrong seems to support, that aid agencies

should never have provided aid in the first place. Responsible agencies have not only provided aid to Rwandan refugees since 1994, but have continually advocated the need for decisive international support to governments of the region to find political solutions, including separation of genocidal militia from refugees, and their fair trial. If humanitarians have worked in a political vacuum there, should not the politicians be asked why they made that happen? Finally, with regard to the

remaining refugees and displaced people, it is yet to be established whether any aid agency has deliberately talked up numbers. As a responsible journalist, Michela Wrong should be equally open to the possibility that governments are deliberately talking them down in order to continue their policy of inaction.

David Bryer, director, Oxfam UK and Ireland, 274 Banbury Road, Oxford OX2 7DZ, UK

Now engineer a boycott

From Mr Bob Connell.

Sir, I agree with Peter Melchett and others (Letters, December 5) regarding genetically engineered food. I find it surprising that the European Commission has ignored the wishes of the public and its parliament.

I recall that soya was only introduced to foodstuffs as a lower cost substitute. I now expect that the public will be exercising choice: not to buy any products containing soya. Only in this way can we be assured that we will not ingest genetically tampered produce.

Will this lead to yet another European Commission mountain - of unwanted imported soya?

Bob Connell, Robert Connell Associates, Alntree, Mounton Road, Chepstow, Monmouthshire, NP6 6AA, UK

Little surprise that Russia backing Belarus

From Mr Gary Levinson.

Sir, It is little wonder that Russia "warmly backed" the increasingly dictatorial power grab of President Lukashenko in neighbouring Belarus ("Lukashenko shows firm hand", December 3). The Kremlin would not hesitate to call the election legitimate:

Russia, which for five decades has had numerous satellite countries creating a wide buffer with a hostile West, is now faced with the threat of a Nato expansion up to its doorstep. With Russia's own history of "strong leaders" it is completely understandable that for the motherland, a stable,

friendly, "buffer" neighbour is more important than recently adopted democratic ideals.

Gary Levinson, managing editor, New Renaissance, Weisenauer Weg 4, D-55129 Mainz, Germany

Ruthless picking of wild mushrooms has worrying consequences

From Dr Anne-Carole Chamier.

Sir, Wild mushrooms are a very fashionable foodstuff. They feature on the menus of restaurants up and down the UK and in the food and drink pages of the Weekend FT. Demand for wild fungi has promoted a vast and highly profitable industry in Britain where they have been collected intensively in the New Forest, the Ashdown Forest and in Scotland. In all these areas environmental damage has been caused by ruthless commercial picking: so much so in the New Forest that commercial picking

has been banned by the Forestry Commission. Strictly speaking, the picking of wild mushrooms for financial reward on private land is theft. But the law specific to fungi is loose and traders are able to exploit the loopholes.

Fungi play a vital role in ecosystems, mainly as decomposers of dead matter which they recycle for the growth and development of new organisms. They are essential partners to many trees and plants and provide food for at least a thousand species of insects, as well as small mammals. They cannot reproduce

properly if their fruit-bodies - mushrooms - are removed.

Compared to continental Europe, where there is a tradition of large-scale picking of wild mushrooms for sale, the UK has very little stable, natural woodland to sustain large, fruiting, fungal populations. As a mycological ecologist, I am very worried about the consequences of ruthless exploitation of this natural resource in Britain. Surveys show that many fungal species are in decline in Europe and at least five have become extinct in Britain in recent times. The his-

tory of irreversible disasters in natural ecosystems brought about by unbridled commercial exploitation should urge upon us an attitude of extreme caution. There is still a lot we do not know about fungal ecology.

Perhaps those ordering or buying wild mushrooms could bear these points in mind.

Anne-Carole Chamier, Achandunle House, Ardross, By Alness, Ross and Cromarty, Scotland IV17 0YB, UK

Businessmen get time for not paying tax. 10 years.

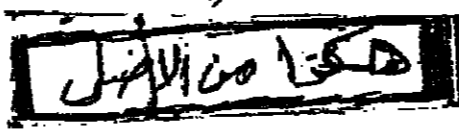
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TYNE WEAR



Woman in the News • Madeleine Albright

A vote for loyal service

Jurek Martin assesses the US secretary of state designate

There is one remark that distinguishes Madeleine Albright from most of her contemporaries...

The secretary of state designate, born Maria Jana Korbet in Prague 59 years ago, is the latest in a long line of refugees from oppression in central Europe...

It is hard to draw a straight line between all four Kissinger and Brzezinski operated under the constraints - and with the licence - of the cold war, when strategic global thinking was a necessity...

problem solving, from Bosnia to Rwanda, has been more the rule. But their origins left all with a highly developed sense of gratitude to the country which adopted them and allowed them to flourish...

defeated by President George Bush four years later. It was during that campaign that she met Clinton, for whom she worked hard in 1992 and was rewarded with the ambassadorship to the UN and a fully fledged seat in his cabinet...

So, equally, was her loyalty to her Democratic president, who is so fond of continuity and collegiality. Of all Clinton's national security surrogates, only vice-president Al Gore has matched Albright's willingness publicly to defend and explain US foreign policy during periods in which it has come under heavy fire...

dismissive feeling yesterday by writing that Albright "will serve as a spokesman for Clinton rather than as an originator of policy or grand principles". Richard Haass, from Bush's National Security Council, pulled no punches...



Robert Peston on the week when it all went wrong again for the UK Conservative party

Sickbed struggle

The parliamentary Tory party, until recently the most fearsome election-fighting force, is beginning to look panicky...

The crisis stems from a disastrous fusion of the three main forces that have consistently destabilised Mr John Major's government...

of publication, Mr Clarke was in Brussels, about to start a particularly delicate round of single currency talks with fellow EU finance ministers...

since he had been spotted on Wednesday lunching with Mr Soper at Chez Nico, a restaurant in central London. Eurosceptic backbenchers started baying for Mr Clarke's head...

The crisis stems from a disastrous fusion of the three main forces that have consistently destabilised John Major's government...

Dons in high dudgeon

Richard Wolfe and Della Bradshaw on the Oxford business school row

The pile of empty wheelchairs and the pungent smell of disinfectant are hardly the perfect introduction to one of the UK's most prestigious business schools...

director, and the influence of Mr Said who will appoint six of the 10 members. However, Professor John Kay, director in waiting of the proposed Said Business School, is perplexed by arguments that the foundation would be able to curtail academic freedom at the business school...

A poor impression

UK auction houses are partly to blame for the latest setback in the art market, writes Antony Thorncroft

On Tuesday night in London, Ms DeDe Brooks, the president and chief executive of Sotheby's, along with the heads of her Impressionist and Modern Art Department, gathered around a pastel by Degas depicting three dancers...

dealers - are reluctant to restock because they are impoverished by six years of poor trading. But the auction houses must take some blame. After deciding last year not to compete with each other on price by cutting commissions charged to big vendors...

on Velázquez's Portrait of Pope Innocent X, sold for an impressive £1.54m at Christie's, while Letter of Resignation by Cy Twombly which to many people would look like a mass of crayon scribbles on paper - doubled its estimate to £430,000...



Picture of disappointment: Dances des Vertes by Degas fetched £2.2m at Christie's on Monday compared with an estimate of £2.5m to £3.5m

There was no shortage of instant explanations for the poor results. Ms Brooks mentioned the strength of sterling, which deterred American buyers. There was also the proximity of the important New York auctions in November...

But both houses need to put together impressive sales next June. For London's position as the equal of New York as a market for post-1850 art - the most important, and profitable, sector of the auction house business - is under threat...

side the EU, ending London's status as a virtually tax-free trading centre. All that is going for it is the knowledge of its experts, and their ability to sniff out major works of art from European collections...

Other dons worry about the role of the business school foundation. Of particular concern has been the clause which enables the foundation to veto the appointment of the school's

One bad week may be quickly forgotten; but a setback in the summer could undermine London's future. All that is going for it is the knowledge of its experts, and their ability to sniff out major works of art from European collections...

CURRENCIES AND MONEY

Dollar slides

MARKETS REPORT By Simon Kuper

The dollar dropped yesterday after Mr Alan Greenspan, chairman of the Federal Reserve, warned of inflationary risks. He said on Thursday night that "irrational exuberance" could affect asset markets, which have been buoyant recently.

The US currency initially fell almost two pence against the D-Mark. Later it rebounded slightly after weaker than expected US jobs data failed to rally Treasury bonds. The currency also gained on reports that Mr Hans Tietmeyer, Bundesbank president, had called its earlier slide "exaggerated". It closed 1.4 pence down against the D-Mark in London at DM1.540.

Sterling made a calm end to a week in which it had nosedived. Having lost 11 pence against the D-Mark and more than 5 cents

against the dollar since peaking in Asia early on Tuesday morning, it recovered 1.4 cents against the dollar and softened 0.1 pence against the D-Mark yesterday, closing at \$1.642 and DM2.529. The Australian dollar, which dived with sterling for much of the week, softened to close at A\$1.2549 to the dollar.

The Bank of Italy and the Bank of Canada were said to have intervened in the markets to boost their currencies.

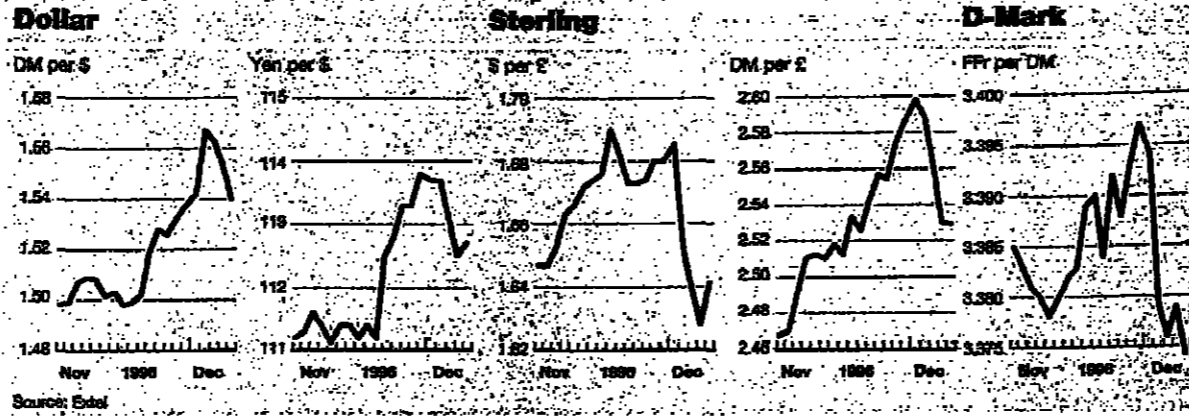
Mr Tietmeyer reiterated his view that German interest rates should stay on hold, speaking against "a forced policy of further rate cuts". Currency strategists saw this as a rebuff of French calls for a German rate cut, which France hoped would strengthen the dollar. Mr Tietmeyer said: "The decisive contribution of monetary policy for growth and jobs lies in the stability of the D-Mark."

Japan has denied having an exchange rate target for the yen. But according to strategists, it wants the yen at about its present level. That was implied yesterday by Mr Yasuo Matsushita, governor of the Bank of Japan, who was quoted as saying: "The recent level of the yen exchange rate has been stable, and it does not appear to be moving towards a further depreciation of the yen immediately, so import prices should stabilise at current levels."

On Thursday Mr Eisuke Sakakibara, director general of the Japanese finance ministry's international finance bureau, denied setting a target. But he also denied that the US sought a stronger dollar, and that remark boosted the yen after it had fallen below Y113. Mr Sakakibara also talked down the dollar when it rose above Y113 last month. Coupled with Mr Matsushita's comment, it would seem that for now Japan wants the yen very slightly stronger than Y113.

Accordingly, the currency was little changed against the dollar yesterday at Y112.7.

Mr Matsushita also said yesterday that on monetary policy the Bank would "do nothing but watch the situation closely." That suggested no Japanese rate moves were imminent. By contrast, said Mr Joe Prendergast, currencies analyst at Merrill Lynch, Mr Greenspan's warnings yesterday made a US rate rise more likely.



Source: Ecol

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Dec 6, Closing mid-point, Change, Bid/offer spread, Day's high/low, One month rate, Three months rate, One year rate, Bank of England rate.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Dec 6, Closing mid-point, Change, Bid/offer spread, Day's high/low, One month rate, Three months rate, One year rate, JP Morgan rate.

CROSS RATES AND DERIVATIVES

Table with columns: Dec 6, Bid, Ask, Bid, Ask, Bid, Ask, Bid, Ask, Bid, Ask, Bid, Ask, Bid, Ask, Bid, Ask, Bid, Ask, Bid, Ask.

EUROPEAN CURRENCY UNIT RATES

Table with columns: Dec 6, Rate, Change on day, % change, % spread, Div. yield.

UK INTEREST RATES

Table with columns: Dec 6, Over night, 7 days notice, One month, Three months, Six months, One year.

BASE LENDING RATES

Table with columns: Bank, Rate, %.

WORLD INTEREST RATES

Table with columns: Dec 6, Over night, One month, Three months, Six months, One year, Libor rate, Repo rate.

EURO CURRENCY INTEREST RATES

Table with columns: Dec 6, Short term, 7 days notice, One month, Three months, Six months, One year.

THREE MONTH EURO FUTURES (MATIF) Paris bank offered rate

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

THREE MONTH EURO FUTURES (LIFFE) DM1m points of 100%

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

ONE MONTH EURO FUTURES (LIFFE) DM1m points of 100%

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

THREE MONTH EURO FUTURES (LIFFE) L1000m points of 100%

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

THREE MONTH EURO FUTURES (LIFFE) SF1m points of 100%

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

THREE MONTH EURO FUTURES (LIFFE) Y100m points of 100%

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

THREE MONTH EURO FUTURES (LIFFE) EUR1m points of 100%

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

THREE MONTH EURO DOLLAR (M&M) \$1m points of 100%

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

US TREASURY BILL FUTURES (M&M) \$1m points of 100%

Table with columns: Dec, Open, Settle, Change, High, Low, Est. vol, Open int.

EURO DOLLAR OPTIONS (LIFFE) DM1m points of 100%

Table with columns: Dec, Jan, Feb, Mar, Dec, Jan, Feb, Mar.

EURO DOLLAR OPTIONS (LIFFE) SF1m points of 100%

Table with columns: Dec, Jan, Feb, Mar, Dec, Jan, Feb, Mar.

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Table with columns: Dec, Jan, Feb, Mar, Dec, Jan, Feb, Mar.

EURO DOLLAR OPTIONS (LIFFE) DM1.250 points of 100%

Table with columns: Dec, Jan, Feb, Mar, Dec, Jan, Feb, Mar.

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Table listing various unit trusts such as Fidelity Investments, Prudential, and others, with columns for name, price, and other details.

Table listing various unit trusts such as Schroders, Fidelity, and others, with columns for name, price, and other details.



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Guide to pricing of Authorised Unit Trusts. Compiled with the assistance of AUTIF SS. Initial charges: Charges made by a unit trust manager. Used to defray marketing and administrative costs... Historic pricing: The letter H denotes that the managers will normally set the price on the next revaluation... Selling prices: Also called offer price. The price at which units are sold to investors... Forward pricing: The letter F denotes that the managers set the price to be set on the next revaluation... Exit charges: The letter E denotes that an exit charge may be made when you sell units... Treatment of manager's periodic charges: The letter C denotes that the trust deducts all or part of the manager's periodic charge from capital, contact the manager for full details of the effect of the course of action... Other explanatory notes are contained in the box on the right of the FT Managed Funds Service.

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Bear

Weekend FT

The crimes of the past are the ghosts of the present. Christian Tyler asks why the exorcism is so rarely successful

The defendant sat between two United Nations guards, a pleasant-looking, slight young man. From behind a wooden desk he looked across a courtroom resembling a television studio, divided from the spectators by a wall of bullet-proof glass. The actors' voices were relayed by microphone to the auditorium: their movements were followed by remote-control cameras whose muzzles swivelled back and forth like the carriages of nervous sentries.

Drazan Erdemovic, appearing shortly before his 25th birthday, has confessed to shooting up to 100 unarmed youths and men in cold blood. Last week he became the first person for 50 years to be sentenced by an international war crimes tribunal. He was given 10 years in jail.

In modern times, every attempt to settle debts after a major political or military upheaval has proved unsatisfactory, with truth yielding to expediency. In South Africa, South America, Russia, east and west Europe new governments have found themselves stumbling through a judicial minefield. Quick settlements for the sake of "stability" or "reconciliation" leave victims crying for vengeance. Truths suppressed for political or administrative convenience come back to haunt us. The need for justice and recompense seems to be fundamental - even, as in the case of the current outcry in Britain by former Japanese prisoners of war, long after the event. It is as if the inhabitants of the present cannot bear to see any sign of damage in the moral fabric left by previous occupants.

"I don't think you can have peace without justice, at least not a peace that's going to be enduring," Richard Goldstone, an eminent South African judge told me when he was chief prosecutor at The Hague tribunal.

The behaviour of the young man in the dock, a Bosnian Croat serving in the Bosnian Serb army, betrayed some confusion. Not surprisingly. For as well as incriminating himself his testimony had led investigators of the international criminal tribunal at the Hague to conclude that at least 4,000 of the 7,000 Muslims who disappeared

after the fall of the UN "safe haven" of Srebrenica in July last year were executed by the Serbs.

Erdemovic may have been witness to one of the worst episodes of mass slaughter in Europe since the second world war. His account was gruesomely reminiscent of the butchery carried out by Nazi *Einsatzgruppen* in the Soviet Union and German police reservists in Poland drafted in to shoot unarmed Jewish villagers by the hundreds of thousands.

Behind its bullet-proof window, the Hague tribunal is subdued. There is more symbolism than drama. But it was too much for one Serbian observer who introduced himself during an adjournment as a music professor who occasionally reported for SRNA, the Bosnian Serb news agency in Pale. He claimed that Erdemovic's confession was a fraud and the trial was an anti-Serb farce. Truth, he was alleging, was being sacrificed to expediency.

Yet truth, expediency and justice seem bound to collide when the crimes of the old regime are addressed by the new. In Romania last week the outgoing president Ion Iliescu found it expedient to pardon six former Communist party bosses, one of whom had been convicted of mass murder during the Ceausescu dictatorship. In the former Yugoslavia, Nato has not found it expedient to arrest the two men most wanted by the Hague prosecutor for crimes against humanity: Ratko Mladic, the former Bosnian Serb commander, and Radovan Karadzic, the former political leader. The Hague tribunal has indicted 74 people for genocide, war crimes and crimes against humanity. It has only seven in custody.

The collision occurs not only after wars and revolutions but after any political change. It has happened in Latin America after the removal of military dictators and in eastern Europe after the fall of Communist governments. It is still happening in South Africa, where a Truth and Reconciliation Commission is attempting to repair the damage done during white minority rule.

Failure to deal with the unexploded bombs of the



past was one reason why Slovakia split off from the Czech Republic, said Jan Urban, a former Czech dissident of Charter 77 who has studied the way in which regimes handle the legacy of their predecessors.

He has found that in many countries the new leaders, far from giving the past a just and decent burial, use it as a weapon to discredit their opponents. Of Czechoslovakia itself, he said: "I think we repeated all the mistakes ever done before and we added some of our own. Our performance in dealing with the past is very, very bad."

Speaking from Sarajevo, where he works on a mission of reconciliation sponsored by the Soros Foundation, Urban said: "Once you cover over crimes it becomes a habit, and you start pushing political problems away in the same manner." Nothing could be settled in Bosnia until the war leaders had been removed, the criminals tried. He said of the Hague court: "Its meticulous legality is sometimes sickening to many outside the tribunal. But I think it is correct."

France's failure to confront its own past has poisoned national politics for years and has only recently been publicly addressed.

In Italy, too, the past refuses to go away. Italians have been beset by both wartime and peacetime traumas. In August the octogenarian

former SS captain Erich Priebke, who took part in a wartime reprisal massacre of 336 civilians at the Ardeatine caves outside Rome, escaped the sentence of a military tribunal on the grounds that his crime was subject to a statute of limitation.

Priebke was, to some extent, the victim of political expediency. He had been living in Argentina under his own name, and had even visited Italy. It was not until he was interviewed on an American TV network that the public demanded his extradition and trial. When he was released, the outcry was so great that the government was forced to seek a re-trial, which is pending.

Equally troublesome has been the near past. The "clean hands" who swept the Augean stables of Italian politics and business find themselves under attack in a campaign by the estimated 5,000 people involved in corruption who hope for amnesty.

Britain is also discovering the consequences of failing to settle the business of the past. In 10 days there will be another hearing in the case of an 86-year-old retired carpenter living in Surrey, southern England. Szymon

Serafinowicz is a post-war immigrant accused of three sample charges of murdering unknown Jews in villages in the Soviet Union in 1941 and 1942.

The furor surrounding the prosecution and release of Priebke in Italy will be repeated in England if Serafinowicz comes to trial. The defence barrister, William Clegg, QC, will argue that a lack of witnesses and documents means a fair trial

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Joe Rogaly

Beans and genes

Genetically altered soyabeans are in our food - like it or not

In a just world, grotesque punishments would be meted out to Monsanto. This futuristic corporation is insinuating mad-scientist soyabeans into our food. The executives who peddle their laboratory-modified comestibles should be made to sprout green protuberances on their cheeks. They would cease to be attractive to the opposite sex. Nobody would invite them for Christmas drinks.

We could invent worse tortures. Squashtiness discourages even as hard a heart as mine from condemning anyone, even a Monsanto person, to be poor. Alas, there is a conceivable circumstance, terrible to contemplate, in which that would be apt. The know-alls who altered the beans cannot know everything, only a lot. There is always the possibility that experience throws up new questions. True, they laboured for years, tested and retested, but you can never be sure.

Hypothesise for a moment. Imagine they missed a bit that harms consumers. A suitable consequence would be for someone to sue our global hawker of laboratory vegetables for every penny it has. The awards against tobacco companies and the manufacturers of thalidomide would shrink into insignificance. We must hope this never happens.

Did I say mad scientist? That was an error. The inventors of Monsanto's "Roundup Ready" soyabeans are presumably sane; the geniuses who devised the marketing strategy lack so. The genetically modified plants resist the company's weedkiller. Farmers need not douse the soil with poisons before planting, just when weeds appear. Less herbicide is used, less remains in the crop. The relevant authorities in the US and Europe have found no reason to declare the product unsafe. Monsanto may persuade you that the breath of the Angel Gabriel enfolds each seedling.

We have to pray that this is so. The harvest, a 50th of the total US output, is mixed with nature's unmodified beans. None of us will know whether or when we are dining off Big M's plate. The corporate explanation is that this is a commodity, sold in Chicago and such-like places, where traders are anonymous. Cynics like me wonder whether the whole scheme is a marketing strategy designed in a Monsanto dungeon, under the heading, "avoid-

ance of consumer resistance".

Monsanto may have produced a boon to farming, but it cannot be certain that the product is flawless. We consumers should choose. Heaven alone knows whether Roundup Ready is safe beyond all possibility of doubt. Let us posit that it is. That is beside the point. Supermarket shoppers

should be told whether a package of this or a can of that contains a genetically modified ingredient. It should be written on the box or tin. An information hotline, operated by the company, is insufficient. Labels are what we want.

Impossible, says Big M. Oh yes? Identification is difficult, but not beyond possibility. The corporation could create a niche market for the new beans and by extension the processed foods that contain them. Growers of organic plants occupy special shelves on the vegetable corridors of food shops. If Monsanto is clever enough to transport a gene from one living organism to another, it should be sufficiently ingenious to segment its sales.

Greenpeace informs us that Europeans are wary of genetically modified soya. Kraft Jacobs Suchard, Europe's fourth largest food manufacturer, is said to have told the campaigning organisation it would use only conventionally grown soya. Nestlé in Germany, Unilever in Germany, Sweden and Austria, and other potential buyers are similarly credited with having proffered the purity pledge. Most British food processors and retailers appear to be shrugging their shoulders.

The above paragraphs do not constitute an attempt to put the frighteners on. There are plenty of people to do that. Some of them are well regarded, others not. The words "genetically engineered food - a serious health risk" appear at the head of a pamphlet put out by Britain's Natural Law party. It refers to Maharishi's Vedic science. This is not likely to influence many voters. Greenpeace, a formidable media manipulator, is imperfect, but it commands some respect.

Scuttling to safer ground, let me commend the usual line produced in response to such ravings. Everything we make, buy, or sell carries some risk. All that can be expected from new products and processes is that whatever seems necessary has been done to identify and minimise that risk. There is danger in getting up in the morning, they say, and in crossing the road. True, but in this instance it is the purveyor, not the consumer, whose risk assessment is to prevail.

What worries some of us is the addition to risk inherent in the increasingly rapid output of genetically engineered foods. Scientists could not have foreseen the harmful effects of DDT. They were unable to forestall the development of antibiotic-resistant bacteria. The argument about the degree to which pesticides are harmful if ingested over a long period persists.

Changing genetic structures holds out the promise of betterment of human health and wealth just as did these earlier laboratory products. Against that, it is possible that unknown side-effects will emerge. Customers should be given the option not to buy. If the market does not provide that, regulators should.

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INSTRUMENTS FOR PROFESSIONALS

PERSPECTIVES

The Nature of Things

A subject to get your teeth into

Clive Cookson dares to weigh up the benefits of fluoride in drinking water and toothpaste

There are a few subjects about which science journalists write at their peril, knowing that they invite a deluge of passionate correspondence. One is the origin of the universe, another is fluoride. Apart from reproductive issues such as abortion, it is hard to think of a medical controversy that arouses stronger feelings than adding fluoride to water supplies. For 50 years supporters have proclaimed the benefits of fluoridation: that it greatly improves dental health at low cost and without adverse side-effects. And opponents have denounced it on ideological and medical grounds, as compulsory mass-medication that causes problems ranging from discoloured teeth to brittle bones and cancer.

The row over fluoride safety was re-ignited in the UK last week when Colgate-Palmolive, the toothpaste manufacturer, made a goodwill payment of £1,000 (without admitting liability) to a 10-year-old boy who suffered from dental fluorosis - mottling of the teeth due to excessive fluoride consumption. Two hundred families are said to be claiming damages for fluorosis from toothpaste companies in the UK.

But the fluoride lobby, which includes the whole medical and dental establishment from the Royal College of Physicians to the World Health Organisation, argues that such cases result from grossly excessive consumption of fluoride toothpaste, for example by children who regularly suck toothpaste tubes or swallow toothpaste after brushing their teeth.

Doctors say there are no harmful effects when fluoride is added to drinking water at the recommended level of one part per million and toothpaste is used properly. Young children, who have not learned to spit out properly, should be given pea-sized blobs of children's toothpaste (which contains lower concentrations of fluoride than adult brands).

Fluoride ions - negatively charged atoms of the element fluorine - occur in nature, for example in the beautiful mineral fluorapatite (calcium fluoride). Fluoridation started in the 1940s, after dental scientists found that people who drank water with naturally high fluoride levels had healthier teeth.

Scientists believe there are three ways in which fluoride reduces tooth decay. First, it is incorporated into the crystal structure of tooth enamel - which is made of a mineral appropriately called apatite - and strengthens it against attack by acid. Second, fluoride promotes the "re-mineralisation" of enamel, so that microscopic cavities are repaired. And, third, it inhibits the production of tooth-eating acid by bacteria.

In the US, about half the population get drinking water from municipal supplies containing added fluoride. In the UK, the corresponding proportion is 10 per cent, mainly in the West Midlands and north-east England; another 5 per cent live in areas where fluoride levels are naturally high.

Minding Your Own Business
Tapping into India's software specialists

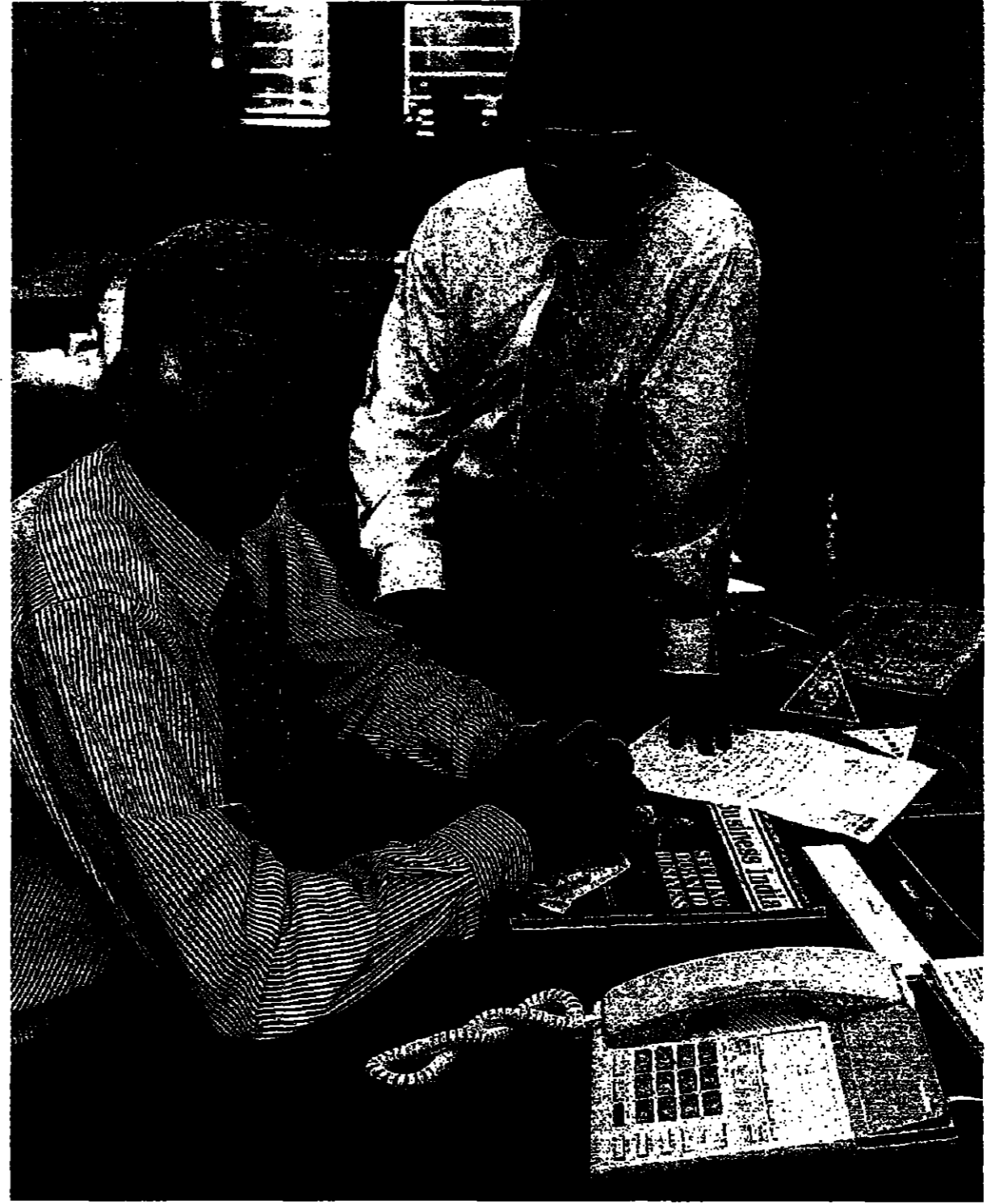
Grania Langdon-Down traces the origins of a Bristol-based IT services company with worldwide links

When Mike Cast set up a business link with India four years ago, he was surprised at the level of scepticism among some UK companies. "The perception of India was poverty, third world, third rate. But in reality India is the second largest software producer in the world," he said.

His company now taps in to the abundance of highly skilled computer specialists in India to supply a UK market starved of software experts. "I think attitudes have changed, mainly driven by the lack of properly qualified people in the UK," Cast said. "India's three top professions are medicine, law and computing - it has some of the best mathematicians in the world. Compare its abundance of highly skilled individuals with the UK, where demand for people far outstrips supply."

nothing conclusive came of the meeting. In 1991, at the height of recession, Cast left UPSI to set up Remus Systems Ltd with a friend, Roger Montague, as co-director. They had the exclusive distribution rights for the payroll and personnel software produced by an Australian company, but business was slow. "We were renting tiny offices in the UPSI building and did not take a salary for 14 months. Then I had my first son and I was desperate to make some money. I felt at my most vulnerable," said Cast.

Cast managed to pay regular bills by producing three plastic books for adults to read in the bath - an idea that came to him in the bath. Gradually, the software business picked up and in 1993, Remus achieved its best turnover of £300,000 and Cast sold it to the Rover Group. Cast had kept in contact with Mastek and India's leading role in software development had stayed at the back of his mind, and he decided it was the right time to concentrate on Carter Cast Systems, a company he had set up in 1992, also with Montague as co-director, but which had been left dormant since its start-up. A deal with Mastek followed and the company became the exclusive outlet for Mastek's services in the UK. This meant it could supply UK companies with India's IT specialists at a much lower cost than their UK equivalents. The longer term aim was to encourage UK companies to have their software developed in India.



Mike Cast and operations manager Joe Venkaraman (right): entrepreneurial flair has found new life at Mastek (UK)

'India is winning business because it offers quality and value'

worth £600,000. The number later doubled to 12. The company moved to offices in Clifton, Bristol, and soon had a second contract supplying two Indian experts to a division of Reuters, the newsgathering agency. The turning point for the company came in August 1994 when British Airways' in-flight magazine published an article on off-shore software and mentioned Carter Cast Systems. One of those who read it was Robin Klein, chairman of Innovations, the mail order company, which was

close to having its processing system rewritten by a UK company. Detailed discussions between Cast and Klein took six months, but Cast eventually won the contract. The software was developed in Bombay. "We did it for roughly 40 per cent less than the UK company. The contract was for £400,000 and we had 21 people working on it in India and the UK. Commercially it was a very tough deal because he paid only when we delivered."

Cast said their turnover had risen from £200,000 in 1993-94 to £1.25m in 1994-95 and £2.5m in 1995-96, when profits reached 16 per cent. The target turnover for 1997 is £3.8m, with committed orders already worth £2.5m. Its biggest single contract is with a UK software house which supplies local authorities and is worth £1.8m over three years. Overheads are kept low, though airfares and telephone bills are inevitably high at £5,000 a quarter. "All our business comes through word of mouth. We do not do any advertising," Cast said. "India is winning business because it offers both quality and value for money."

"People ask me if we are taking jobs from the UK market. But a lot of our customers are UK software houses and we enable them to remain competitive and bring their products to market quicker. "It is also not a question of exploiting people from a poorer country because those who employ are paid very well and come to the UK to enhance their careers."

It had always been Cast's dream to run his own business. But, having achieved it, he found himself forced to sell the company to Mastek. By 1995, Mastek wanted to expand faster in the UK than Cast could afford. So in August last year, Mastek bought a majority stake in Carter Cast Systems and changed its name to Mastek (UK) Ltd. Cast kept a 10 per cent shareholding and was appointed managing director. This summer he was also asked to join the executive board of Mastek in India. "I could have sold them my company and set up on my own again but I liked the

people in charge and we had developed a strong mutual respect. "The Mastek philosophy is to have small units to keep the entrepreneurial spirit alive. So we can still run Mastek (UK) as though it were our own business and we are paid on a profit sharing basis," Cast explained. Mastek (UK) now makes up 18 per cent of Mastek's worldwide revenue and employs 145 people, split between the UK and India. Mastek (UK) Ltd, Alma Court, 76 Alma Road, Clifton, Bristol BS8 2DJ. Tel: 0117-946 6162; fax: 0117-973 4007.

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At war with truth and justice

Continued from Page 1

is impossible. This prosecution was made possible by an Act of Parliament passed in 1991 after a furious debate which set the elders of the House of Lords against the post-war generation in the Commons. Twice the Lords rejected the bill and a rare procedural measure was invoked to get it on to the statute book. Once again, expediency found itself at war with justice, with truth caught in the middle. The point was made explicit by Lord Dacre, the historian Hugh Trevor-Roper, who attended the Nuremberg trial in 1946, the Eichmann trial in 1961 and the Auschwitz trials in Frankfurt in 1963. "Why do we have war crimes trials?" he asked. "What is the point of them?" Retribution was primitive, punishment pointless, and reform probably too late. Answering his own question, he went on: "Surely the purpose of war crimes is exemplary." It was to re-establish the rule of law so monstrously broken. Such trials were in their time politically and historically expedient. But, he argued, no longer. The Commons took

another view. For them, as for many of the younger generation, the truth takes precedence. A new claim by Nazi hunters that there were up to 300 war criminals living in England had to be tested, and justice done if possible. As Lord Ferrers, the state prosecutor of the investigation centre for Nazi crimes at Ludwigsburg in Germany, he said many cases sent to local judges were not taken any further. "If you see the figures you cannot be satisfied. Politicians and society as a whole must play their part."

bulwark against the Red Menace, meant that the business was deliberately left unfinished. But how far can the victors go? The numbers involved are enormous. "Justice cannot do everything," said Willi Dressen, the state prosecutor of the investigation centre for Nazi crimes at Ludwigsburg in Germany. He said many cases sent to local judges were not taken any further. "If you see the figures you cannot be satisfied. Politicians and society as a whole must play their part."

National Congress was banned, and the end of apartheid in 1993. Those whose crimes are particularly heinous, however, will have to face the courts. The cut-off date for amnesty is next Saturday. In these proceedings justice is subordinated to truth, and publicity is intended to replace vengeance. And, indeed, some victims of apartheid-era atrocities appear to have found requitment in the public hearings. Civil rights experts are worried, however. "It is clear this commission has a political agenda," said Paul Ferreira, spokesman of the South African Institute of Race Relations. "There is no doubt that its aim is to rewrite history and exonerate one side - the ANC." The institute, non-political and independently funded, deplores the attempt to cast apartheid as a crime against humanity; it says the commission is subverting the law and driving a wedge between blacks and whites. Some experts regard Chile's truth commission as the best model. There, amnesty for both sides had been the price of replacing General Pinochet's military rule with democracy; but the old regime and the new were equally represented on the commission and the members came from all sections of society. An even number

of commissioners ensured there was no casting vote. Cases were heard *in camera*, and there were no incentives to testify. Although truth was the aim, there was some sacrifice of truth since it was mainly victims who came forward to speak. But the commission's final report made the previous regime's culpability absolutely clear. "Revealing the truth is the first step because it delegitimises crime and acknowledges the victims," Jan Urban said. The Nazi-hunter Simon Wiesenthal declared that in South Africa, as in Europe, the only solution was to bring murderers to trial. "What is the whole value of my work?" he said from his office in Vienna. "It is a warning for the murderers of tomorrow." Crimes against innocent people cannot be forgiven. A murderer, even if he is 100 years old, remains a murderer. The time to show mercy is after conviction, not before it, according to David Cesarani, professor of modern Jewish history at Southampton University. Calling for the Hague tribunal to be made permanent, he said: "Since 1945, everywhere you look, justice and truth have always come a poor second and third to expediency. In all these cases we are building up trouble for the future."

JAVICO LTD

PERSPECTIVES

Tax haven keeps revolution at bay

Chrystia Freeland finds the people of Ingushetia to be more keen on finance than fighting

John Le Carre devotees will already be familiar with the Ingush, a people living in Russia's north Caucasus who were the noble mountain heroes of the novelist's first post-cold war paperback...

of the Ingush people's new economic project. "We have created what will be the premier off-shore zone for people of the CIS, for Russian speakers, who have a hard time travelling to Malta or some place like that."

unknown in Russia itself, but this obscure corner in Russian tax legislation typifies the often bizarre marriage of money and high politics which governs the new Russia.

"Yes, we do get some critical comments from bean-counters in the Ministry of Finance," explained Aushev, the Soviet Union's chief of staff in Afghanistan. "But for Russia, the most important thing is the situation in the Caucasus. They spent trillions and trillions of roubles on the Chechen war, so it is worth a little money in lost taxes to stabilise Ingushetia."

Both have branches registered in the Ingush zone. Aushev is eager to attract more foreign companies. He is a broad shouldered, moustachioed soldier who, like his friend and comrade-at-arms, Alexander Lebed, the Russian general, first ventured beyond the border of the Soviet Union in 1980 when the Red Army invaded Afghanistan.

whole world." Gutsieriev, whose bank, Bin, is the official bank of the Ingush special economic zone, is even more mellow. Asked about the danger of criminal money flowing into the Ingush offshore zone, Gutsieriev, whose Ingush-based prosperity has catapulted him into the job of deputy speaker of the Russian parliament, where he represents Vladimir Zhirinovsky's ultra-nationalist party, is philosophical: "It is dangerous to walk out on the street - you might get run over... Everything in life is dangerous... If you look at this world with eyes of fear, you might as well not even get out of bed."

set of their target clientele. At his presentation in London, Aushev tells a concerned Briton from the audience that "the appropriate officials" will check clients of the offshore zone. The western listeners are reassured. But even this gentle response is too much for the "Russian speakers" who dominate the Islington seminar. "I told you, if we put our money there we might as well just send a letter to the KGB with our names and addresses," a Muscovite tells her companions as she leaves the hall. "Effectively, what Aushev said was, 'Welcome, come work in the zone and we will give your money to the KGB'."

A tournament is in progress. Players sit at tables divided by a diagonal screen. You can see one opponent, but not your partner. The tables have screens underneath to prevent foot signals. The players are prevented from speaking, in case the intonation in the voice gives away unauthorised information. Then, the auction begins and bids are made using printed cards, passed around the table, or under the screen.

This is the world of modern bridge, a pastime that used to be just a card game. One player recently described tournament bridge as being like a two-week prison visit, and the common consensus is: "It's a nightmare."

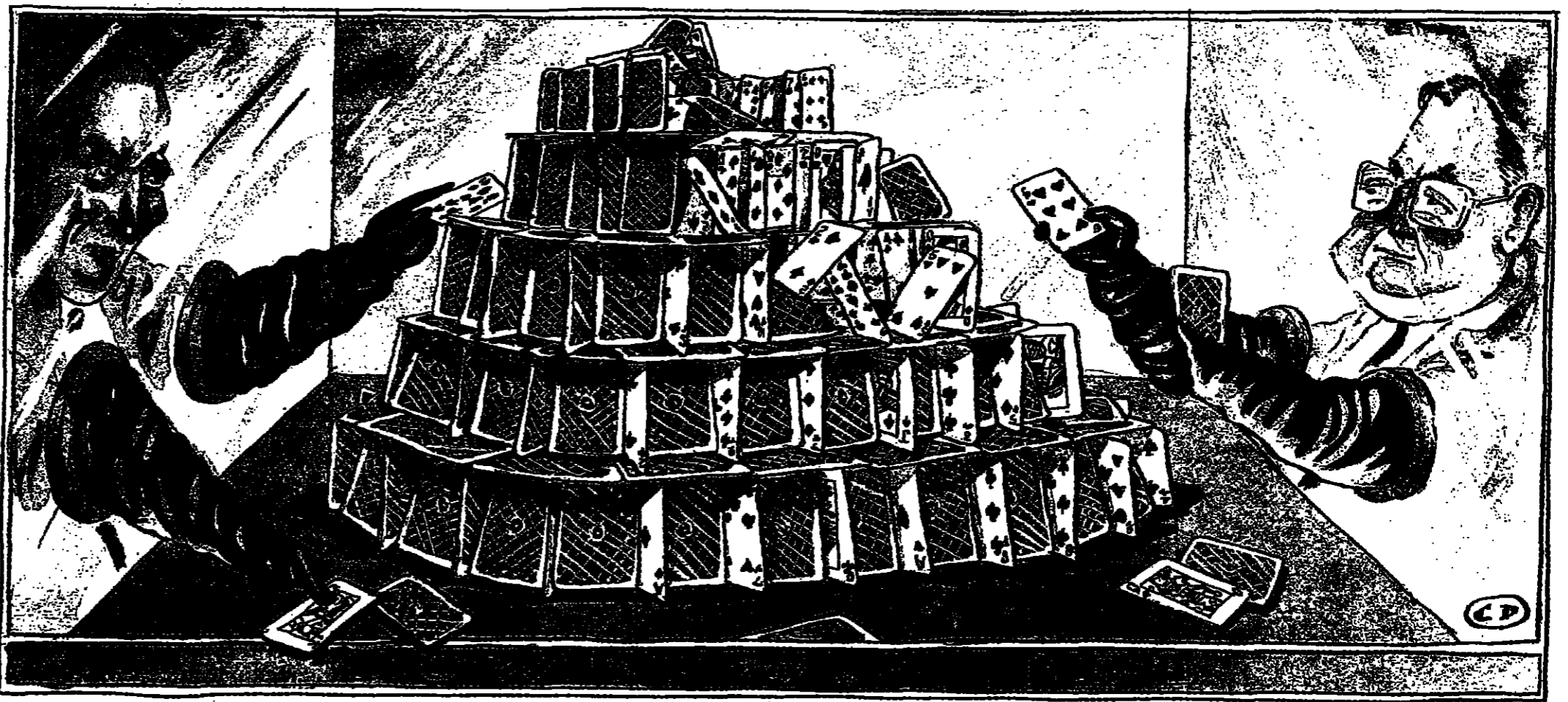
Bridge has reached crisis point. For now, the crisis is contained within the ranks of the serious player, but it is seeping into comfortable drawing rooms and church hall bridge circles. It is a manifestation of a malaise attacking many sports, affecting the very form and process of our games. The plague is technology. It attacks sports such as motor racing, tennis and golf. But in bridge, the technology is different - it involves the evolution and use of the bridge language.

Although the basic language is similar worldwide and involves only 38 words, there are countless variations. Forty years ago there were perhaps 50 of these, known as systems, conventions or "gadgets"; now, there are thousands.

The language is important in the first part of the game, the bidding, in which partners describe their hand to one another using bridge language. The highest bidder then plays out his own and his partner's cards, aiming to fulfil the bidding target, or contract.

This "linguistic technology" increases accuracy when partners are describing their hands to each other at this stage. But it has serious negative side effects: bridge becomes harder to teach and master, it becomes less of a spectator sport, and it further divides the social game from the expert, virtually splitting the sport into two separate forms.

The late E.P.C. Cotter, FT bridge correspondent for



A game - or a battle of words?

Some say technology has made bridge 'a nightmare', threatening its future. Paul Mendelson reports

more than 30 years, was characteristically blunt: "All these gadgets are for players who don't know how to play their cards."

Worse still, Hamman says, is that the game is making itself more and more exclusive, when it should be making itself more accessible to new players.

A key role of bridge is that all partnership arrangements must be made known to opponents before the game begins. To have a secret agreement is cheating. But the more variations

there are, the tougher it is to police that rule. Card play has developed steadily, and new insights are rare. In the bidding, however, innovation abounds. Expert pairs - many are stockbrokers, futures dealers, or have careers in risk management - may take hours, sometimes weeks, to prepare each element of their language for a big tournament.

The world's most successful pair, Jeff Meckstroth and Eric Rodwell, have spent a lifetime improving their bidding methods. Rodwell is responsible for most of the innovation; Meckstroth just has to remember it all.

It is far from clear who has the easier task. Limited to a vocabulary of just 38 words, the meanings of the codes have always

changed depending upon their context in the conversation. Today, every single bid right up to the final contract may be an artificial code, requiring all the players to have huge resources of memory and concentration.

These innovations have served to breed mistrust among tournament competitors and administrators - hence the screened tables, silent bidding and disabled spectators.

Spectators are equally unenthusiastic. Watching at the table is often prohibited, but in any case, little can be seen. Most watching is done in a darkened room - a small cinema with two screens. One shows players in a particular game; the other shows the cards while a team of experts

attempts to comment on the bidding and play. At the Macallan International Pairs Championship, Britain's most prestigious bridge event, the commentators find themselves more and more frustrated.

David Burn, one of the world's most experienced analysts, finds himself stumped by certain auctions, despite having the written agreements of all the pairs in front of him.

Ron Von der Porten, former US international, found himself shaking his head sadly, declaring: "This is why I gave up playing tournaments."

Even the bridge authorities, whose role it is to administer and reflect the needs of its membership, feel something is going wrong. The English Bridge Union is

seeking a standard English bidding system, so that long discussions between partnerships before play can be reduced to the briefest of exchanges: "Standard English!" "OK," for example.

While some feel that a restriction on lingual gadgets would be suitable for the social or club game, they believe that the experts should be allowed to develop the bidding as far as they wish.

Hamman disagrees: "In the World Championship round robins, for example, you play 30 or so other teams, and you have to know what system each is playing, and then decide how to counter it."

"It may take you weeks of discussion and planning. Then you play them for a

couple of hours - beat them, of course - and you never see them again. What a waste of time."

Some may feel the event is being deflated. But the consensus is clearly that the 1997 championship will be the best test of bridge skill seen for many years, returning the game to its challenges of logic and psychology, rather than a battle of linguistic technology.

Robson and Tony Forrester, are playing, the crowds are sometimes six deep. In 1997, the event is also going to feature strict limitations on the linguistic technology used. A poll of potential competitors has failed to find a single one who objects to this development; many have said they felt it inevitable if the game was to survive.

Justice

Asleep around Cape Horn

Richard Donkin reports from the world's wildest stretch of ocean

Richard Donkin is competing on the yacht 3Com on the Rio to Wellington leg of the BT Global Challenge round the world race.

It was a difficult call. A pressure pump in the water-maker had broken. We were 30 days out of New Zealand, yet to round Cape Horn, and there were no spares.

Loss of the water-maker was the final disappointment after a series of mishaps had frustrated our attempts to join the contenders for the lead. An apparently slow start left us with every chance of closing with the leaders since 3Com had deliberately steered a true

course instead of sailing westwards, a tactic employed by many others.

As we converged, nearing the tip of South America, we found ourselves fighting with three boats for a possible fifth place but fell back when we lost our final usable spinnaker.

The seam of a spinnaker sail is about 75ft long. Several of ours have split along their entire seams. The

stitching has begun. It is laborious, and working under the forehatch in pitching seas can easily induce nausea. My seasickness returned.

The crew of 3Com have each paid more than £18,000 for the privilege of a life worse than prison, the most important difference being that prison does not rock from side to side continuously.

Then, a quiet morning watch on deck is broken by the appearance of two fully-grown fin whales alongside the boat. They cross our bows and swim with us for about half an hour before diving into the deep. There can be few more majestic sights. Suddenly prison seems no more than a memory. Sailing with whales is freedom defined.



Richard Donkin aboard 3Com: in no mood to celebrate

out from now on. Tomkinson said: "It is a difficult decision but I think we shall continue with rationed water."

"At least in that case we will be near the rest of the fleet in an emergency. We would probably be held up a week in Port Stanley."

Yet when it came, Cape Horn was something of an anti-climax. Unlike reaching the summit of a mountain, the passing is noted only by sailing over 67 deg 17 minutes longitude, the north-south axis of the promontory.

I could write of a rocky wasteland and of waves as big as houses, as indeed they are, but the moment itself was quite different.

The truth is recorded in my diary: "Well we did reach the horn and we have passed it. I have rounded Cape Horn. Not many people can say that. It was dark at the time and I was asleep, not that there was anything to see."

"We are about 20 miles south of it. Some celebrated with a tot of whisky. I did not. You don't feel like celebrating much when you have been awoken at 2am and find your four-hour watch has been extended to five because of a time adjustment and you have to put two reefs in the mainsail in a force eight gale and freezing rain."

CHRISTMAS SHOPPING SHOULD BE A BIT OF A GIGGLE... BECAUSE SHE'S SO WRITE FOR YOU... BECAUSE HE'S SO FULL OF SPIRIT... BECAUSE SHE SHOULD BE AS MUCH... BECAUSE HE SHOULD BE AS MUCH... LINKS OF LONDON

FASHION

Bright, ornate and beautiful

Bold accessories are a must this season, says Karen Wheeler

When it comes to sending a frisson of excitement down a fashionable woman's spine, it is increasingly beautiful accessories rather than the latest clothing trends that have the edge. An exquisite pair of shoes, a finely crafted piece of jewellery or a beautiful bag - these are the things that have the power rapidly to update one's appearance. This is especially true this season, as the emphasis shifts towards decorative jewellery and ornate, worn-to-be-noticed accessories. The recent trend for minimal dressing meant a low-key approach to accessorising - anything too big, too bold or too noticeable was best left in its box. But now the pendulum has swung back the other way and statement jewellery - the costume variety and the real thing - is once again fashionable. Intricate, decorative pieces are most in demand and there is a wealth of covetable designs from which to choose. Pretty beaded necklaces, chunky rings set with single enormous stones, and earrings that dangle decoratively from ear lobes are the season's most prized objects. After a season in which a few key fashionable pieces of

jewellery have been seen adorning almost the entire fashion pack (Elsa Peretti's silver coffee bean on a chain or a pair of small diamanté crosses from Tiffany), women now want a more individual look. The trend is for pretty and romantic pieces which look as though they have been dusted down from a prolonged stay in the attic or cleverly picked up in antique shops. While some of the internationally famous labels still rate highly, the really clued-in shopper is travelling further afield than Bond Street in search of unusual accessories. The rule is that if it looks old, then it is very modern indeed. For women who do not have the time to trawl vintage shops and antique markets, you can pick up elegant, intricate looking, beaded jewellery at Manguette or Merola in west London. Merola, for example, offers delicate, one-of-a-kind pieces as well as antique evening bags. In the quest for more individual accessories, Basia Zarzycka's shop in Fulham Road is also a good alternative to Prada and Gucci et al. Zarzycka, first and foremost a bridal designer, has some of the most covetable accessories around at the moment (many made to order). Huge, exquisitely coloured devoré shawls and Victorian style



evening bags worked from jet beading and fringing are among the most beautiful buys. Zarzycka's richly coloured, silk velvet blooms are proving popular - in spite of the hefty price tag - and can be worn on a lapel or sash belt or used to pin up the hair for

evening. An elegant and feminine look. For those who want to be up-to-date with their accessories it is worth remembering that gold has replaced sculptural silver while traditional handcrafted materials have usurped futuristic and industrial fabrics like nylon.

Elsa Peretti's much-photographed gold mesh earrings from Tiffany, John Galliano's drop crystal earrings at Liberty, or alternatively a pair of big, gold hoop earrings from Diany Hall, all look chic set against this season's plain Halston-inspired jersey dresses.

A new name to note in bags is Jamin Puech whose glamorous, string bags adorned with huge, shiny sequins can be bought at Harvey Nichols. And while Ferragamo has received a lot of attention for its high-tech, millennium version of the Kelly bag in silver metal (£369), the label's more traditional evening bags with diamanté handles or trims are infinitely more desirable.

In spite of the appeal of vintage-style accessories, a Gucci bag or blue Tiffany box under the Christmas tree is still desirable. Among this year's most covetable pieces at Gucci are a raspberry satin evening bag with a geometric, squared-off handle and ultra-tactile pony-hair wallets and purses - to match the immensely popular ponyhair shoes and bags. From Tiffany, anything by Elsa Peretti is likely to go down a treat.

Finally, those with a limitless budget and bold tastes, could do no better than to buy one of Angela Pinaldi's distinctive necklaces, strung together from huge chunks of crystal or amber.

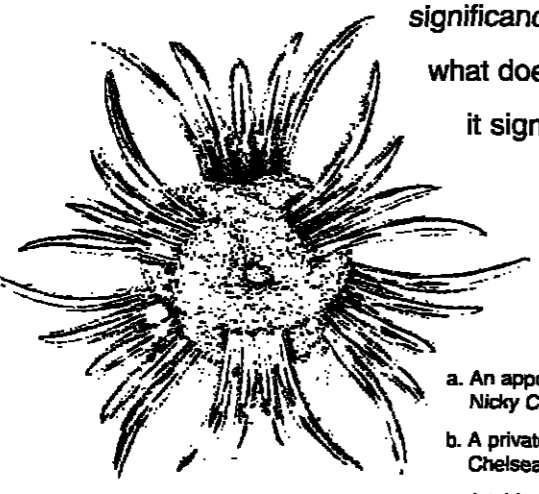
Favoured by fashion designer Donna Karan among others, these cost from £25,000 upwards but will certainly get you noticed - which is what this season's best accessories are all about.

Clockwise from top left:
 □ Multi-coloured, patchwork woven scarf, £88, by Wallace Sewell. The latest 'buzz' label in scarf design, Harriet Wallace-Jones and Emma Sewell specialise in vibrantly patterned, textured scarves with a hand-woven quality. From Liberty, Regent Street, London W1 (tel: 0171-734 1234).
 □ Multi-coloured bead necklace, £400, by Pellini Bijou. The brilliant mix of beads and colours would lend glamour to even the plainest party dress. From Liberty, Regent Street, London W1, and Harrods, Knightsbridge, SW3.
 □ Beaded evening bag, £400, by Basia Zarzycka. Antique-style, beaded bags are this season's fashion and Zarzycka's fringed, Victorian designs are particularly special. Basia Zarzycka, 136 Kings Road, London SW3 (tel: 0171-351 7276).
 □ Drop earrings with grey freshwater Mabé pearl and angel hair quartz, £225, by Gatta Bianco. Dangly earrings are back in fashion, replacing discreet diamond studs. These are from Manguette, 20A

Kensington Church Walk, London W8 (tel: 0171-937 2897).
 □ Bold, dramatic and unusually shaped earrings by Giorgio Armani, £88, from Fortnum and Mason, Piccadilly, London SW1.
 □ Beaded, silk devoré evening shawl, £330, by Norma May. This intricately worked shawl is from Browns, 23-27 South Molton Street, London W1. (tel: 0171-481 7833).
 □ Plum coloured silk velvet rose, £265, by Basia Zarzycka, 136 Kings Road, London SW3 (tel: 0171-351 7276).
 □ Silver opera torch, £165, by Cox and Power. Nicely designed, this looks like a lipstick and is neat enough to fit into an evening bag. Cox and Power, 95 Walton Street, London SW3 (tel: 0171-589 6335).

Centre:
 □ Silver rings set with amethyst, £1,200; citrine, £1,400; or aquamarine, £1,800, by Marina Schiano. From Browns, 23-27 South Molton Street, London W1 (tel: 0171-481 7833).
 Drawings: by Margaret Keedy

If the Verdura Ray Brooch has no official significance, what does it signify?



a. An appointment with Nicky Clarke
 b. A private viewing of the Chelsea Flower Show
 c. A table at Harry's Bar
 d. All of the above
 e. All of the above

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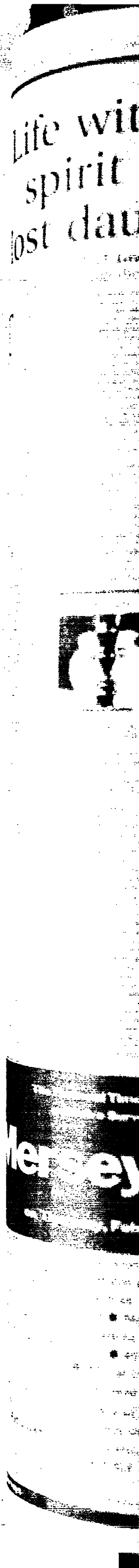
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HOW TO SPEND IT

Life with the spirit of a lost daughter

Lord and Lady Paul tell Grania Langdon-Down about the things they really value

Tragedy brought Lord and Lady Paul to the UK 30 years ago, driven by the need to find the best medical treatment for their two-year-old daughter, who was dying of leukaemia.

For the next 20 months, Ambika was in and out of hospital until she died in April 1968. Devastated, her father, a devout Hindu, spent 18 months in mourning and meditation. He found it hard to make peace with himself so decided to build a new life in the country where she had died and where he felt her spirit remained.

Leaving behind his comfortable life and flourishing family business in the Punjab in India, Lord Paul, whose first name Swraj means freedom, set out with a £5,000 grant and a one-roomed office in the City to buy and sell steel.

Twenty eight years on, his privately owned Caparo Group, dedicated to Ambika's memory, employs more than 4,000 people, has sales of £500m in the UK, US and India, and last year produced profits of £45m.

A self-confessed workaholic, Lord Paul is devoted to Aruna, 60, his wife of 40 years, their twin sons Ambar and Akash, 38, daughter Anjali, 37, youngest son Angad, 25, and their six grandchildren.

Unfailingly courteous and modest, the Pauls are renowned for their generosity. Lady Paul celebrated their 40th wedding anniversary last week by arranging tea and entertainment for 60 elderly people in west London. Two years ago, Lord Paul donated £1m to London Zoo to build a children's zoo in Ambika's memory. He turned 65 this year and retired, having gradually handed over management of the Caparo Group to his sons over the last five years.

Up until then, business was his life - he turned down the opportunity of serving in Indira Gandhi's cabinet and her offer of the posts of High Commissioner in London and Ambassador in Washington.

While he remains Caparo's chairman, in a pleasing twist of fate, politics have now come into his life. In October he was appointed a Labour peer to the House of Lords where, as Baron Paul of Marylebone, he intends putting his strong sense of social justice and passionate belief in investment in manufacturing to good use.

Lord Paul: "My life has been devoted to work. Fortunately God has been kind to me and I have made money

but I have never considered that it belongs to me. I believe that I am its trustee and my job is to create more wealth. There is more fun in creating it than spending it - I do not get any pleasure out of being extravagant."

"When we first came to London, I rented a small flat in an apartment block in Portland Place to be near the hospital where Ambika was being treated. I later bought it and then an adjoining flat and finally the whole building, which I renamed Ambika House. My children each have an apartment and I let the rest."

"I bought my first car, an Austin, in 1976. Now my son insists I travel in a chauffeur-driven BMW."

"Up until 1991, I do not think I spent more than two weeks at a time in London, in between travelling on business to America and India. The first holiday Aruna and I ever took was a cruise five years ago to the Baltics which my son won in a raffle. He said 'Papa and

Are there any possessions which you particularly cherish? "I am not a collector - apart from companies, my wife would say - but two things which are special to me are gifts from Indira Gandhi: a jade Buddha and a Chinese picture of a girl and a deer made out of shells."

What does the peerage mean to you? "At the moment, I am learning about my new profession and I go to the House regularly."

"But whatever happens, Ambika remains so much around me. Becoming a peer is one of the most important things in my life and the date of my introduction to the House of Lords was November 12, her birthday."

Lady Paul: "Britain feels very definitely our home after all these years. I feel very comfortable here. I was brought up in Calcutta and I like the hubbub of a city."

"When I met Swraj, it was his education - he was a graduate from MIT [Massachusetts Institute of Technology, Cambridge, US] - that impressed me more than anything else and I thought he might be the right kind of person for me. Three days later we were married. He would not take a dowry - only the smallest amount allowed. He was a revolutionary."

Had you travelled abroad before? "I had never been out of India before we met but we travelled together for several months on business until our first child was due."

"When we came to London, we brought nothing but our need to help our sick child. We were not thinking of our own lives. The flat was bare and we furnished it with the basics from Peter Jones."

After nearly three decades travelling, their apartment is a treasure trove of glass, china and metal sculptures, vases, clocks, tea sets and glasses, including famous and unknown names - Daum, Lladro, Royal Dalton and Maruno sit next to wine glasses decorated by a young Croatian artist and selling at £1 each. Paintings are many and varied, several framed by Lady Paul. Mirrored walls and cupboards add a sense of space.

"I am also not a shopper, although I do like ties and I am very particular about them - bright ties hide your age! And my watch is a limited edition from Garrards to mark their 100th anniversary. I have my suits made by a tailor in Saville Row but he comes and fits me at the office - which shows you how lazy I am about such things. I would buy them off the peg but they do not come in my size."

"I like to encourage budding artists and enjoy going



Material needs are secondary to Lord and Lady Paul: "When we came to London, we brought nothing but our need to help our sick child"

Fergus W. A.

London



Mummy, you must go on it' and it was so nice of him, we could not say no."

"We went on another cruise this autumn when I planned to write my memoirs but my concentration slipped a bit when I heard about the peerage."

"We are planning to go on another cruise to Spain, Portugal and Morocco next year. At my age, cruises are good because your hotel moves with you as you visit all these different places."

Do you socialise much? "I am not a great socialite (he is a vegetarian and has never smoked or drunk alcohol). We do eat out but I do not really have a favourite. We go to whatever restaurant is flavour of the month."

"I am also not a shopper, although I do like ties and I am very particular about them - bright ties hide your age! And my watch is a limited edition from Garrards to mark their 100th anniversary. I have my suits made by a tailor in Saville Row but he comes and fits me at the office - which shows you how lazy I am about such things. I would buy them off the peg but they do not come in my size."

to exhibitions and markets, like Camden and Covent Garden. Known names already make money whereas there are many young people producing interesting things who need support.

"I also enjoy going to museums and galleries - one I like is the Arks Gallery in

North Audley Street in the West End which is combined with a new Indian boutique."

"For my husband's 60th birthday, I commissioned the American sculptor Danny Lane, who designed the glass staircase for the V&A's glass exhibition, to make six turquoise glass paneled doors with steel frames for the

entrance to the flat.

"To me, glass is better than precious stones because it has reflection and colour and clarity and elegance."

Do you have time for hobbies? "I like anything artistic. I love arranging flowers and cooking good-looking food. I like to buy material in places like Berwick Street

market on which I can design embroidery or add beaded lace for scarves and saris. I take it to a tailor in Calcutta and collect it the next time we visit."

"My bedroom at the moment is dominated by an exercise walking machine my husband bought. He only used it once. It takes up so

much of the room I feel I should use it and now I do not feel well if I do not use it every day!"

If you could take just one thing from your home, what would it be? "The painting of Ambika by the Indian artist Pandit which we commissioned 30 years ago. She is part of us all the time."

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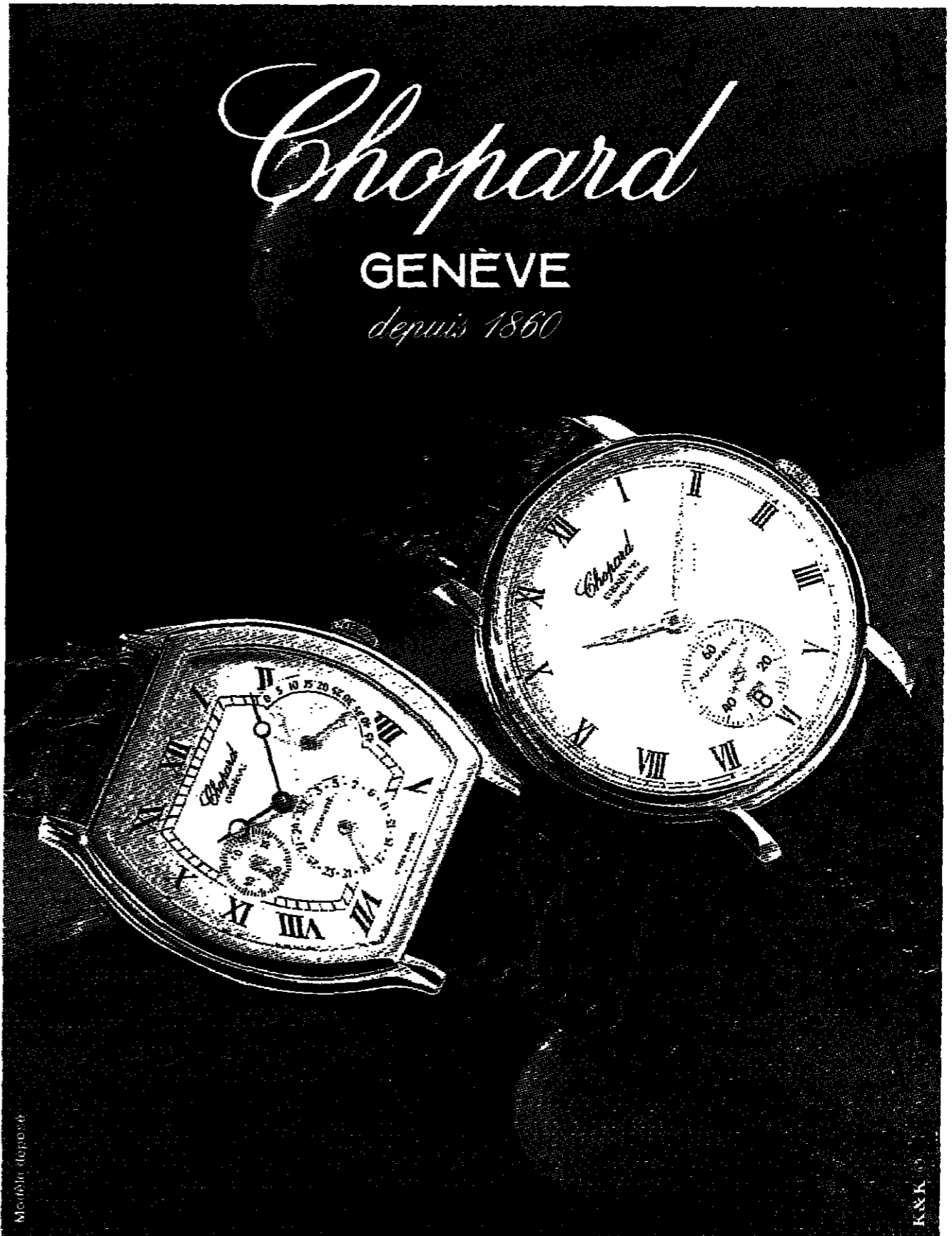
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HOW TO SPEND IT

Camel lightens up for a new lease of life

Marion Hume reports on the designers who have refreshed a wardrobe classic



Cashmere coat, £1,725 by Michael Kors from Dickens & Jones, Regent Street, London W1. Chocolate brown cashmere/wool dress, £1,575 and suede boots, £470, both by Ralph Lauren, 143 New Bond Street, London W1.

Perhaps it was the American, Bill Blass, who started it. In New York's autumn fashion shows in 1994, he presented a chiffon cocktail dress topped with a cosy, camel coat.

This spring, Helmut Lang, the modernist and radical designer, took the same classic coat and juxtaposed it with one of those disturbing dresses which looks as if it is made out of underwear lace and elastic.

The coat was given another airing at John Galiano's Givenchy Haute Couture show in July. In among the see-through Empress Josephine gowns and the jaunty 1930s-style bias-cut dresses was that sturdy and familiar garment. Clearly, the camel coat was on its way back.

It is often said about fashion that the same clothes come around again and again. In the case of the camel coat, that is only partly true. Certainly, it is possible to find a well-made camel coat that is second-hand, yet looks absolutely right. For instance, I found a vintage version for £180 at The 1920s-70s Crazy Clothes Connection, 134 Lancaster Road, London W11. But the other camel coats, photographed from this winter's collections, are not quite as you might remember them.



Textured coat, £178, by Jigsaw. Lace dress by Futura Ozbeck, £200, at Browns 23-27 South Molton Street, London W1. Black patent shoes, £165, by Stephane Kellian, 48 Sloane Street, London SW1. (Tel: 0171-235 9458). Photographs: Andrew Lamb. Styling: Charlie Harrington. Hair and make up: Alex Sabaly

The most noticeable difference is that camel has become blonder. In the dressing gown wrap coats of the 1920s, the long slim coats of the 1940s and the military belted styles of the war years, camel was not a creamy, soft beige but a grubby, muddy brown. What is called camel today is in reality much closer to that lovely honey tone of a pedi-

gree Persian cat. Still, the good news is that the lighter camel of the 1990s is less dowdy and more flattering, lighter against the skin and more cheery in the grey light of a British winter.

The style of the coats has changed too. The designer versions you see on this page, by Michael Kors, an American designer whose hallmark is understated luxury, and by Marni, one of the newer and much sought-after labels from Italy, are far less weighty than the classic camel coats which date back to flapper days. Aquascutum has a version that looks familiar, reminiscent of the *Georgy Girl* style of the 1960s, but in fact it has more swing and is less boxy with a fluid movement.

So too does Sportsmax, which has a coat that looks very familiar, but is, on close inspection, familiar yet better. The problem with the old-fashioned camel coat was that it was a bulky garment. The Sportsmax version, although it would keep you warm and dry, is lightweight enough to squash into the top of a roll bag.

When it comes to the coat most similar to the earlier versions, the Jigsaw coat, which is extremely well-priced, replicates the nice hairy texture of old.

The silhouette to look for is short and swinging or slightly longer, to just-above-

the-knee, and slim. The real camel coat story this season is one of changing proportion, as Galiano demonstrated when he slung his version over an evening dress which one might have expected to be accompanied with a floor-length, billowing opera coat. There is a lightness and a youthfulness to this season's camel coats. This season's sturdy garments can look fresh without looking inappropriate.

Of course, your camel coat will outlast the year - for who would want to buy a good coat and have but one winter's wear? The coat you buy this season to sling, in jaunty style, over an evening dress, will be perfectly practical in 10 winters' time, perhaps for weekend wear over jeans, or perhaps, in 20 years, as your cosy coat for walking the dog.

The one "vintage" coat I saw at the Crazy Clothes Connection may have gone from being someone's coat of the season 20 years ago to being a re-saleable old favourite.

Whoever buys that coat now might wear it, Galliano-style, to the opera. Or over tailored trousers. Whatever, it is ready for a new lease of life. Some looks - like the slouchy, throwaway chic of Lauren Bacall, who has always looked good in a camel coat - never go out of style.



Beige coat, £835, by Marni. Rose print dress, £730 by Dolce & Gabbana both at Browns, 23-27 South Molton Street, London W1. Black and cream leather weave shoes, £150, by Stephane Kellian, 48 Sloane Street, London SW1.

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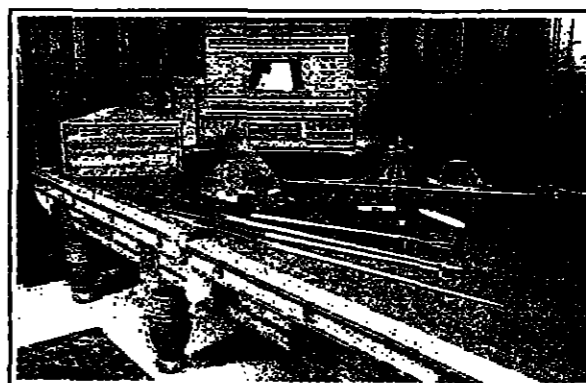


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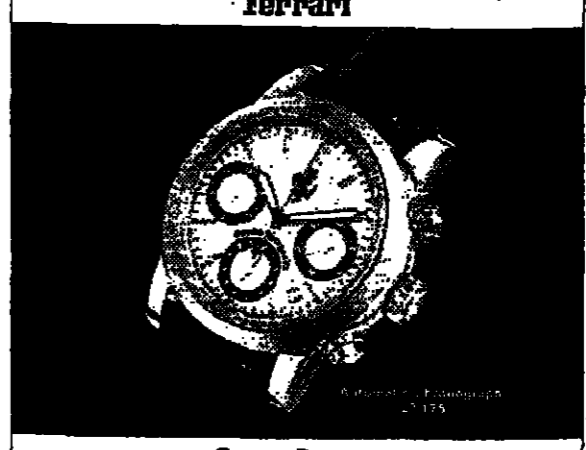


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HOW TO SPEND IT

The Seven Ages of Man
Middle-aged male with an eye for quality

Lucia van der Post on what to buy the man who has acquired a taste for the finer things in life

The years are passing. Our hero has moved into middle-age and with it he has acquired a taste for some of the finer things in life. Nephews and nieces are sometimes inclined to give him jokey presents in vulgar colours or things that make loud noises but on the whole he infinitely prefers things of proven value.

Those on limited budgets should concentrate on just one or two small things of real quality. For instance, Marks and Spencer sells a little rack of proper balsamic vinegar, fine olive oil and red wine vinegar, all in a sleek chrome holder for just £9.99. Also from M&S is a neat gadget to weigh your luggage (useful if he's going places where luggage allowances are strictly followed) for £5 and a mini Flashlight for £3.50. For a little more you could give him a whole British cheese, from £18, from Neal's Yard Dairy, 17 Shorts Gardens, Covent Garden, London WC2 (tel: 0171-379 7646).

Barclay & Bodie, a charming small shop at 7 & 9 Blenheim Terrace, London NW8, with a splendid mail order catalogue (tel: 0171-722 8873), has chic terracotta plant labels made by an English

Shakespeare's fifth age

And then the justice
In his round belly with good capon steed
With eyes severe and beard of formal cut
Full of wise saws and modern instances,
And so he plays his part.

potter and shaped like garden pots or trowels. A set of eight costs £15.99.

A box of three beautiful pure vegetable soaps, lightly scented with sandalwood, cedar and rosewood costs £19.95 from English Garden, 3 Langley Business Centre, Station Road, Langley, Berkshire SL2 8DS. Or there is an elegant Georgian-inspired bird bath for the garden - £65, English Garden.

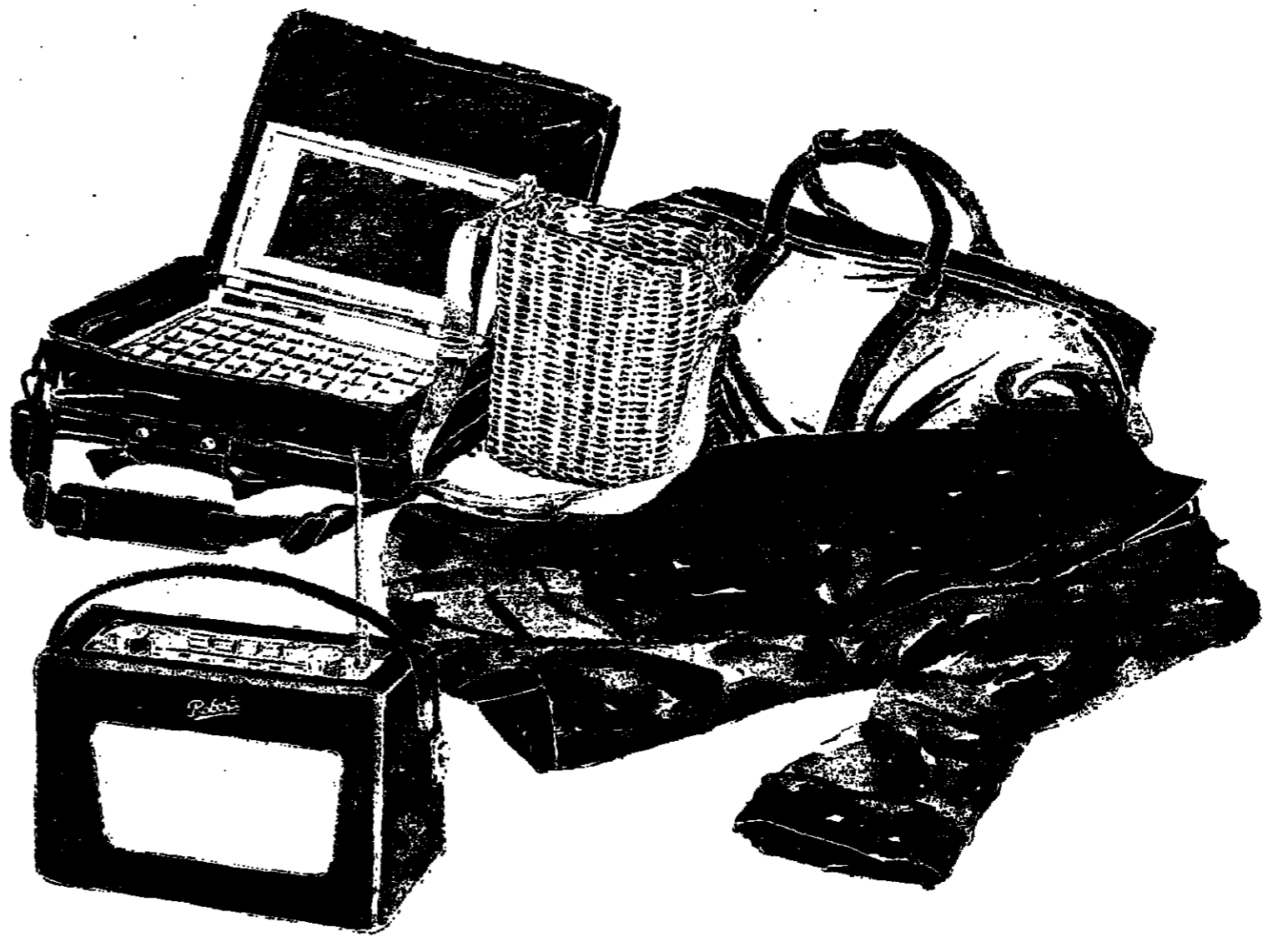
Keeping his correspondence in good order (he is struggling to become *au fait* with the world of faxes) is a priority, so give him an elegant letter opener with a moulded panther head (£29.95) from Joanna Wood, 49a Pimlico Road, London SW1 (tel: 0171-730 5064). Or for £39.95 you could go for the tassled silver barley twist quill desk set - £39.95, Joanna Wood.

Over the years he has become rather attached to his food and though his tastes mostly run to modish interpretations of nursery nosh he does love pasta. So

give him a sweet little Parmesan cheese mill - just the right size to take a hunk of that special cheese. It is ingeniously designed so that the base inverts to form a cover and keep the grated cheese in an airtight container: £16.99 from America Direct, 85 Woodside Avenue London N10 3HF.

The MicroMap system means he can keep this tiny gadget handy in the dashboard of the car. The viewer itself is pocket-sized and unfolds to reveal a lens which scans credit-card sized maps. The viewer costs £19.99 and comes with 14 cards which cover the UK but further card packs are available, including those of 20 UK cities, a comprehensive guide to London city centre and 10 European and 10 US cities. MicroMap can be bought by mail order by calling 0800-421252 and is also in Harrods, Selfridges, Leading Edge Shops and The General Trading Company.

Most houses not inhabited by giants need a pair of library steps - if his taste runs to the modern get him Tiramisu designed by Andries van Onck (a folding step ladder made from painted steel and thermoplastic steps with a non-slip finish) £139.50 from Aram Designs, 3 Kean Street, London WC2. If his tastes and house run to the traditional, then the General Trading Company (144 Sloane Street, London SW1 tel: 0171-730 0411) has a wonderful ladder pole which looks just like a slim pole until you click a little latch and it turns into a ladder 200cm high. At £990, it is made of mahogany and covered in brass-ripped leather and looks fine



enough to become a family heirloom. Most houses, too, could do with a butler's tray - a handy way of keeping a welcoming selection of drinks at the ready - £99 from Roger Oates Design Associates, The Long Barn, Eastnor, Leicestershire HR8 1EL, tel: 01531-632718. If he's a keen fisherman, a beautiful wooden box with a range of English tied flies for the fly fisherman should make a lovely present. Each box is hand turned in mahogany and has a matt silver disc on the top on which initials may be engraved. They are made to order (still time, though) and cost £83.75, including packing, from C. Farlow & Co, 5 Pall Mall, London SW1Y 5NP, tel: 0171-839 2423.

Also from Farlow's is the fishing game of the season - a CD-Rom called Fly Fishing

by J.P. Hartley for £34.99 (you choose the river, the month and then try to fish). Both are available by mail order. Another good present for a fisherman would be a Smythson Fishing book bound in long-grain leather, for £39 (by post, call 0990 211 311) or at Frank Smythson, 40 New Bond Street, London W1Y 0DE.

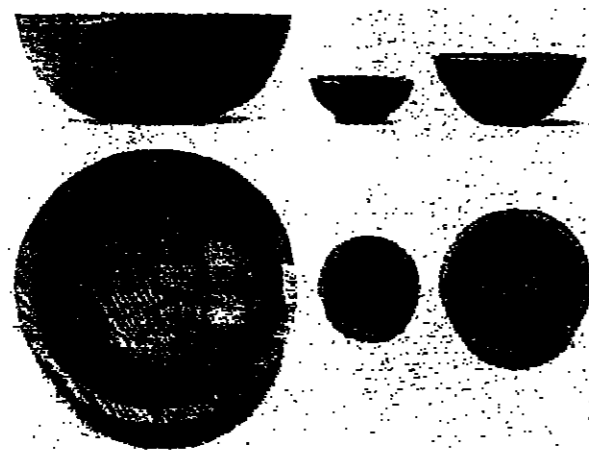
For the outdoor life, whether fishing or picnicking or going to sporting events, Mulberry's two-bottle carrier, made of willow with a tough webbing strap is a good present at £35 from all Mulberry shops. If his weekend case is looking shabby it would be hard to better Mulberry's conker brown soft leather weekend hold-all from the Clipper range at £595 - that may seem expensive, but it is hand-made in Somerset. Update his wardrobe and give him a velvet smoking jacket for all those winter evenings by the fire. By Alfred Dunhill, it comes in bottle green or chocolate brown and costs £495.

Double bottle carrier in willow with a tough canvas strap: £35 from all Mulberry shops. Traditional softgrain Wexford leather bag in conker for the weekend traveller: £295, by Mulberry. Dark green or chocolate brown cotton velvet smoking jacket with frog-fastening front: £495 by Alfred Dunhill, 30 Duke Street, St James's, London SW1 (customer services tel: 0171-290 8600).

The Roberts Radio, a 1950s revival, brings tears of nostalgia to the eyes of anybody over 50. A sturdy, functional radio made by

the British company Roberts Radio it runs on batteries or the mains: £130 for the larger model, £100 for the smaller, they come in original claret, classic blue or Kensington Green, from Harrods, Knightsbridge, London SW1.

Illustration: Bryan Poole



Beautiful bowls by Irish wood-turner Liam O'Neill: £15-£100 from David Mellor, 4 Sloane Square, London SW3 (0171-730 4258)

Readers fill in the gaps

Amy de la Haye is thrilled. She is the curator of the Victoria & Albert Museum's spring 1997 fashion exhibition. The Cutting Edge - Fifty Years of British Fashion, and has been inundated with responses from FT readers following our call to you to clean out attics and wardrobes.

She had almost given up hope of finding a Horrocks floral dress from the 1950s, but, thanks to FT readers, she now has offers of seven, all of which have been cherished for four decades.

As a result, the museum is to stage a pre-exhibition "taster" in February, in the main dress gallery, to include them all, under the title Quintessentially British: Horrocks floral summer dresses of the 1950s.

For The Cutting Edge exhibition itself, (which runs from March 6 to July 27) de la Haye is happy to be able to include a Frederick Starke suit from 1952, donated by an FT reader from Yorkshire.

This grey wool suit, with a pencil skirt, a short boxy jacket, complete with a gar-

net cummerbund and a creamy white cotton blouse, was worn as the reader's "going away" suit after her wedding.

Her sister later bought the Matita floral print suit that Vogue declared "news" in April 1954 and that was the V&A's original quarry. Alas, the sister's Matita suit has not survived, but happily, the Starke suit of two years earlier, with its similarly "furled umbrella silhouette" fits the bill perfectly.

So do a pair of Terry de Havilland high-heeled cowboy boots with stiletto heels

from the 1970s that a reader has unearthed.

Several readers have offered interesting clutch bags, including one shaped like a rolled magazine and called Primo, and labelled inside Caponi of London from 1968.

Another handbag, in tortoiseshell-effect Bakelite from the 1950s, has been accepted into the museum's main collection, as has a marvellous hat by Chalmers, worn by a reader to Ascot in 1948.

Many other readers have responded with offers of clothes they wish to donate to the V&A, all of which de la Haye is investigating (although she does stress that, with The Cutting Edge exhibition imminent, she is now searching for very specific designer pieces).

A few have eluded her so far. Where is the reader with that prized white debutante dress, dating from between 1947 and 1958, and by a famous British fashion house?

Where is the gentleman with a Henley ensemble of striped blazer, cream flannel or linen trousers, a boater, canvas shoes and club tie?

And where are our once wildly unconventional readers? Still missing is a hippy deluxe British kaftan worn by a man in the 1970s and a radical bridal outfit, which must date from the 1980s and must be by a British designer such as Clive, Michael or John Bates.

Time is running out, but if you can fill any of the V&A's few remaining gaps, Amy de la Haye will be most pleased to hear from you.

Again, write or fax directly to her (not to the Financial Times, please) with full description and/or photograph, to: Amy de la Haye, The Cutting Edge, Textiles & Dress Department, The Victoria & Albert Museum, London SW7 2RL, fax: 0171-838 8423

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TRAVEL

A ride on the wild side with Rex

Dinosaurs offer the latest thrill in Los Angeles, says Peter Aspden

It is seven o'clock in the morning and Los Angeles is celebrating Marilyn Monroe's 70th birthday. At least I think it is a celebration. NBC's morning news programme is, naturally, interviewing Marilyn via her favourite medium, a relaxed, unironic man by the name of Kenny Kingston. He says she told him she would have had plastic surgery by now had she still been alive; he told her she should have stayed married to Joe Di Maggio to have made the most of her life. His remarks go down well; facial reconstruction and baseball are big around here. The newscasters smile uncertainly to each other. "Did he say he talked to her just last week?" asks one, just a little incredulous. "That is what he said," replies his colleague. "Do you believe him?" A shrug. It does not seem to matter. So it is no surprise when, the following day, I am accosted by Marilyn in the entrance to Universal Studios. It is best to go with the flow in this eccentric part of a quintessentially eccentric city. The Universal Studios Hollywood tour is a bedrock of the LA experience. Once inside, scepticism, reserve, disbelief are discouraged. You move from earthquake to hamburger store to flash flood to Wild West shoot-out. From *Psycho's* blood-spattered shower room to the dashing amazons of *Waterworld*. Right now the theme park is abuzz with talk of dinosaurs. We are in the final stages of preparation for the latest attraction, the \$100m *Jurassic Park: The Ride*, and the hype machine is roaring. To those used to the traditional bumpers and big dippers of the country fair, the *Jurassic* ride comes as a shock. This is no overnight sensation. Aerospace engineers, robotics engineers and palaeontologists collaborated with studio designers for five years on the project. The movie's director, Steven Spielberg, also acted as a consultant, although he had yet to try the ride before



its opening because of an endearing aversion to "big drops". *Jurassic Park: The Ride* is fashionably self-referential - we are in a theme park based on a film about a theme park; cleverly parodic - the ride goes "wrong", as it does in the film; and, for a couple of seconds at least, utterly terrifying. Not that you would guess from the beginning. It all starts very calmly, like any family day out in a dinosaur park, as we observe the peaceful, herbivorous creatures grazing gracefully among the six acres of tropical waterways from the comfort of our raft. But soon things begin to go awry. The raft is knocked off course into the dangerous "Carnivore Canyon", where we see gaping holes in the velociraptor pen. The raft veers out of control, up into the park's water pump station. The missing raptors appear and begin their pursuit. The climax of the ride is kept semi-secret; suffice to say that it involves an over-familiar tyrannosaurus rex, pitch darkness and a near-vertical plunge of 84ft, the longest in the world. A photographer is on hand to catch the expression on your face as you level out. Cute touch. If the amount of money spent on producing movies in Hollywood seems obscene, then what justification can there be for blowing \$100m on a five-minute ride? That its five-storey-tall ultrasaurus features the most sophisticated, computerised "animatronics" technology yet employed in the entertainment industry? That the lush park features more than 7,000 shrubs, plants and flowers of 76 species? The ride is indeed impressive; but is this not a little over the top, even for Hollywood? It is all a matter of numbers. Up to 35,000 people a day visit Universal Studios Hollywood, paying \$34 each for the privilege. They seek, and receive, the latest thrills around. And they are easily bored. Rides and shows have to be constantly invented and updated

if those numbers are to be maintained. Ron Benson, chairman and CEO of Universal Studios Recreation Group, says: "We believe people have very high expectations when they come to theme parks. We have made a huge investment in the last three years to keep ahead of our competitors." By virtue of the massive investment in the new rides, Universal Studios Hollywood is ensuring it does not suffer the same fate as those dinosaurs. Here are hints of the theme park of the future, with thrills so life-like, so visceral, that it is difficult to see how younger generations could ever enjoy the innocence of an episode of *The Flintstones* again. Here, too, is a glimpse of the city of the future: next to the theme park is Universal City Walk, a kitsch, neon-lit mall masquerading as a city centre featuring shops, restaurants and multi-merchandising opportunities. It is easy to see the attraction of the entire complex for a family with small children, given the less-than-wholesome nightlife of downtown LA. Everything here is clean, patrolled, sanitised. You cannot walk 20 yards without being offered the chance to buy a T-shirt or a mug, emblazoned with a recent celluloid offering. I re-watched *Jurassic Park* on video the day I came back from Hollywood. I could not help warming to the character who is in the biggest hurry to make easy money from the opening of the theme park. He seemed to epitomise the thrusting entrepreneurial spirit of Universal Studios Hollywood. Ominously, he was the first man in the film to be eaten alive. But don't look too hard for a message. Real life - even in Hollywood - is just not like that. Peter Aspden travelled to Hollywood with *United Vacations* (0181-313 0989). *Holidays in Los Angeles and the rest of California* start at £299 per person for three nights, including flights and accommodation.

Disneyland enlists the Hunchback

Paul Betts holds his breath as Quasimodo drops in on Paris

Something was clearly going wrong. For a terrible moment Disney's celebrations to mark the grand entrance of Quasimodo at its French theme park seemed to be heading for disaster. Three thousand journalists and their families had been brought to Disneyland Paris from all over Europe for the French premiere of *The Hunchback of Notre Dame*, Disney's latest animated feature film. After the screening, masked dancers and actors paraded in a noisy carnival of fools around Gargoyles Square in front of Sleeping Beauty's castle. Amid an explosion of fireworks, Quasimodo appeared at the top of the castle. Clasped to a wire, he tumbled off the battlements to slide down 200 yards to the party below. The mood suddenly turned serious. The scrota impersonating the Hunchback had hardly gone a few yards when he got stuck. He struggled in the freezing November night desperately trying to hook his legs around the wire and ease himself down. It seemed to take an eternity. A few times he looked as if he was going to give up and just dangle like a stuffed toy in his absurd outfit high above everybody's heads. The other characters continued peering around to the rhythm of "Topsy Turvy", one of the film's tunes. The Tannoy kept telling spectators to move on and take their seats for their gala Christmas dinner. No one budged. Finally an exhausted Quasimodo made it down. There was applause. Disney officials rushed around, an anxious Father Christmas carried what looked like a first aid kit. It had been a near thing. Not just for the wretched Quasimodo but for the launch of Disney's new commercial brand at its European theme park. *The Hunchback of Notre Dame* is the latest example of the branding techniques that entertainment conglomerates, of which Disney is the biggest, are developing to help their business grow. It could be described as circular marketing. The idea is to tie together under a common theme television, film, merchandising and amusement park operations to establish a strong brand. The film helps promote a new theme park attraction which helps pro-

vide the sale of an array of goods from T-shirts to toothbrushes which in turn helps promote the film. It was no accident that Disney chose Victor Hugo's novel. The American group has been striving to Frenchify its Paris park with rides and parades based on French cultural themes to quell criticisms of American cultural imperialism. When Disneyland Paris opened five years ago in the bleak, flat countryside of Marne-la-Vallée, a beetroot-growing region 20 miles outside the capital, it immediately found itself in a typically French cultural war. Coupled with management errors, the venture risked turning into a commercial flop. The idea that you could simply transpose the successful US formula on to French soil and wait for the cash registers to start ringing was wishful thinking. The park and its resort hotels were overpriced; there were not sufficient attractions; food was not up to French standards. As debts grew, the company started taking radical action. It introduced new rides, including last year the \$100m Space Mountain based on Jules Verne's *From the Earth to the Moon*. The ride shoots visitors to the moon dodging meteors and gives them the sensation of weightlessness. It lowered admission prices and broke Disney tradition by serving wine in the Magic Kingdom. The strategy seems to be working. Although, like Quasimodo, the balance sheet is still on a tightrope, the park is turning into a success. Disney claims it has become the most popular tourist attraction in France, drawing twice as many visitors as the Eiffel Tower. Nearly 12m people a year now visit the park and, significantly, the single largest group is French. Not that the place has suddenly been transformed into a Gallic pleasure garden. For all its Frenchification, it remains a monument to American pop culture, and if any nation is more receptive to this culture, it is France - whatever the Académie Française may say. Bookings can be made through Disneyland Paris Direct on 0990-090303.

Time to give Niagara Falls a miss

John Fitzgerald roughs it in Canadian splendour at the largest log mansion in the world

Living in Toronto, I have long acquiesced as friends from overseas, especially first-time visitors, insisted I accompany them to nearby Niagara Falls. I've nothing against the honeymoon capital, mind you, despite its tourist traps and overcrowded restaurants. But I was determined not to put myself through the ordeal again when some German friends suggested a visit. Instead, intent on giving them a glimpse of Canada's range and ruggedness, or at least some of its countryside, I suggested we spend a day or two at Le Château Montebello, a hotel near Ottawa that boasts of being the largest log structure in the world. A year-round resort, it was used as the site of the

1981 Group of Seven summit and is owned and operated by the Canadian Pacific hotel chain. It is located just outside the quaint village of Montebello, Quebec, about half way between Montreal and the nation's capital, and less than an hour's drive from either city. I was unable to produce a moose, a beaver, or a live Momiite to impress my German friends. And with their brief stay prohibiting the more indigenous activities (sports-fishing, portages through the wilderness, campfire cook-outs), I decided a stay at a country hotel, albeit a fairly luxuri-

ous one, was probably the next best thing. Rustic, the chateau certainly is. Surrounded by 65,000 acres of forest and streams, it overlooks the Ottawa River, used for more than 200 years to carry furs from the western interior to markets in Quebec City and Montreal. Before the arrival of the Europeans, the river was controlled by the Algonquin Indians. The Chateau Montebello's massive bulk consists of about 10,000 giant cedar logs that were set by hand when it was built in 1930. It includes 210 rooms and deluxe suites in four wings

that jut outward from a central building, like spokes in a wheel. There is an indoor and outdoor swimming pool, horse back riding through the woods, an 18-hole golf course, tennis, river cruises, and several restaurants. Although autumn and winter are regarded as the best times to experience the area's beauty - the hotel offers cross-country skiing, snowmobiling, curling, dog-sledding, sleigh rides and other activities - summer takes nothing away from its charms. We arrived about noon. The buildings loomed up at us like some sturdy frontier

fort, as we came to the end of a driveway that runs in from the main road. It was bordered on either side by tall maple trees. Conceived by Hubert Sadiemire, a Swiss-American who dreamed of recreating an Alpine chateau in Quebec, the property was known as the Seigneurie Club - a swish and relentlessly private enclave - until it was bought by Canadian Pacific in 1970. Its membership rolls included magnates, Canadian politicians, such as former prime minister Lester Pearson, and prominent foreigners, including the Netherlands'

Queen Juliana and the Grimaldis of Monaco. The land on which the resort sits was once part of a 17th century seigniorial, or feudal estate, belonging first to the West Indies Company, and then to the first Bishop of Quebec. In 1801, the estate was bought by the Papineau family, whose most famous member, Louis-Joseph, locked horns with the British during the rebellions in Upper and Lower Canada in 1837-1838, and is considered the father of Quebec nationalism. Papineau's beautiful manor house, with its wide porch and Victorian furnis-

ings, is now a museum and is about a two-minute stroll from the hotel's main building. The chateau's entrance hall was impressive, projecting a feeling of space, simplicity and comfort. In the middle of a three-storey atrium (again, all logs), a soaring six-sided stone fireplace was surrounded by armchairs and sofas, and there was a galaxy of framed photographs, most of which showed happy groups holding up a huge fish. Our rooms had views of the river and were decorated in a style the Germans con-

sidered *gemütlich*: log walls, and cosy, country-elegant furnishings. That evening we dined on salmon baked on a cedar board with onion compôte. Later, back in my room, I dispensed with the air conditioning, and opened the windows to hear the eerily romantic night sounds of the forest, and the slow, steady rumble of the river. No question. I could get used to this sort of "roughing it". And I didn't hear another peep out of my German friends about Niagara Falls. For reservations or information contact: Supranational toll-free at 800-303030 or Le Château Montebello, Canadian Pacific Hotels, 382 rue Notre Dame, Montebello, Quebec Canada (tel: 819-423 6341, Fax 819-423 5283).

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TRAVEL

Among the ruins of modern Estonia

Nick Haslam samples the hospitality of Russian Orthodox nuns, discovers deserted manor houses and observes a search for flowering fern

The sister looked shocked when I told her of my plans to stay in the village hostel. "We live in the middle of the forest," she said sternly. "Your car might be stolen. You must spend the night inside the walls."

We were standing at the gate of the Russian Orthodox Puhitisa Convent of Kuremaa, eastern Estonia, the green onion domes of the church high above our heads. Around us hooded nuns tilled the gardens, and in the fields sleek cattle were being driven to the dairy for the evening's milking.

But the cloistered calm was deceptive. The Russian frontier was only 20km away and I had been warned that my hire car could fetch a high price on the other side.

Gratefully, I accepted the sister's offer and received a peremptory nod in return. The convent was self-sufficient, the 160 nuns growing their own vegetables and baking bread in ovens heated by timber they cut in the surrounding forest.

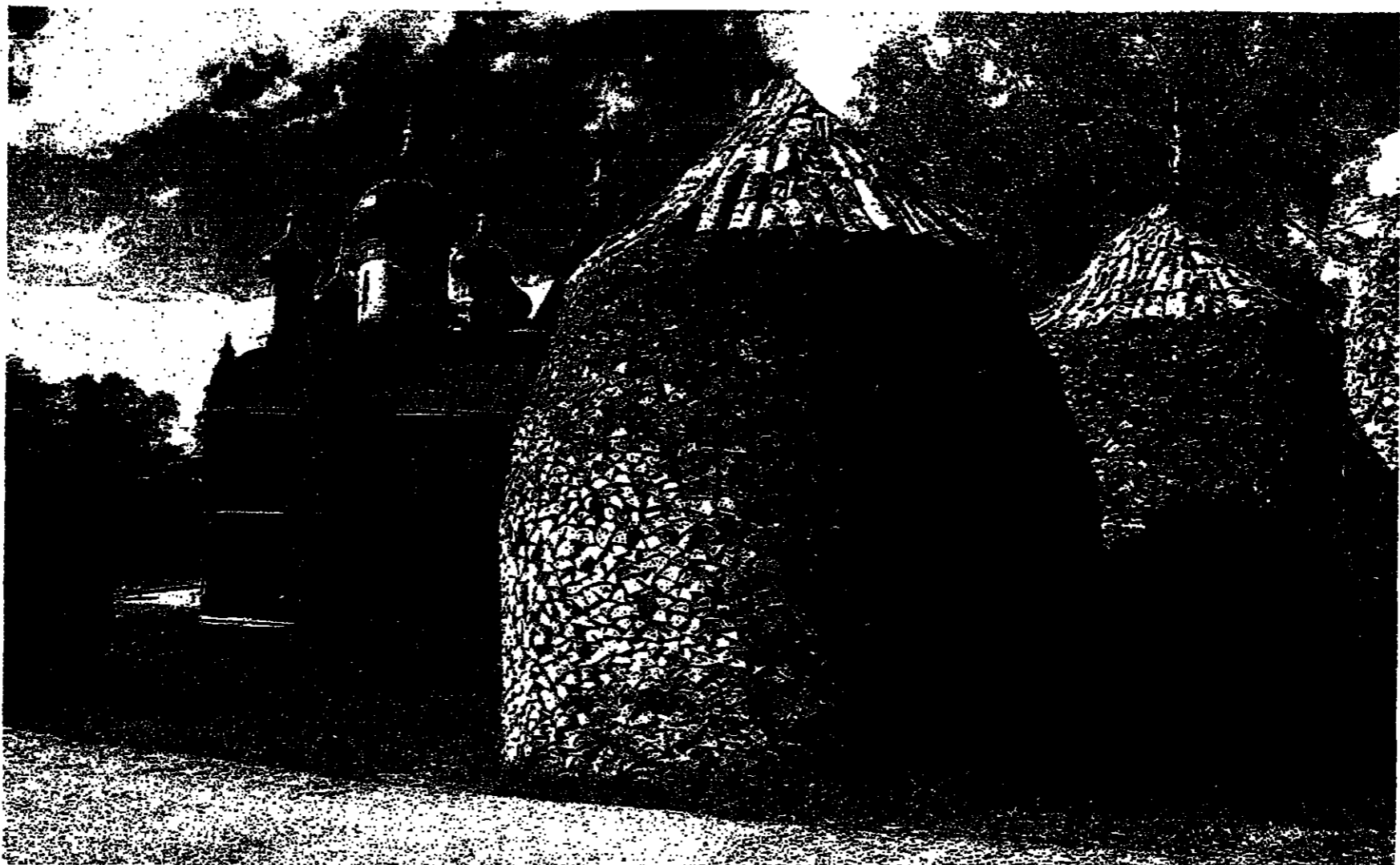
"How many hours a day do you work?" I asked. "Work here is called obedience," said the sister, who had refused to give me her name, "and we are always obedient."

At the sacred spring of Holy Water, which drew believers from all over Estonia and Russia, she said that total immersion cured all known ills, adding primly: "A cold bath would do you good." Weakly, I made my excuses and passed the chance by.

I spent the night in a simple dormitory hung with icons, and was served a breakfast of yoghurt and kross, a fermented drink made from bread and water by a young novice in a white head scarf who called me Pan Angelski (Mr Englishman).

The anonymous sister bade me distant farewell, and after making a handsome donation to the collection box, I drove out through the gates south along the shores of Lake Peipsi, one of the largest in Europe. Nearly half of Estonia is covered in a thick forest of pine and larch, and I drove for hours through dark, silent woodland.

Occasionally the dusty unmade road passed through little villages of timber cottages facing



A haven in the middle of the forest, the self-sufficient Russian Orthodox Puhitisa Convent of Kuremaa, eastern Estonia, houses 160 nuns who can cure all ills with a cold bath

the lake where fishing nets hung drying in the strong wind. Many people here speak Russian, and some are descendants of the Old Believers, a devout Orthodox sect which fled to the fringes of the Russian Empire when Peter the Great made changes to the liturgy more than two centuries before.

At a crossroads, three girls waiting for a bus waved me down and asked for a lift. They were studying English at Tartu, Estonia's university city, and were surprised to meet the first Englishman in their lives in such a remote corner of the country. They chatted volubly, breaking into peals of laughter when I commented on the beauty

of the purple flowers which covered so many of the fields we passed.

"My father is a farmer," said one, and she stopped to rummage in her bag for a pocket dictionary. "Those flowers are thistles." Many of Estonia's collective farms have been abandoned following the collapse of communism, and much of the land was lying fallow in the country.

"Most people don't want to farm now," she said. "My father has 60 cows, but he cannot sell his milk. It is a bad time for agriculturalists."

At the girls' insistence, we stopped at the village of Alatskivi. Here, hidden in the trees, was a vast neo-Gothic manor

house. It was deserted, weeds growing in the long drive, the stables and outbuildings ruinous and neglected. It looked vaguely familiar, and the girls said the house was modelled on Balmoral Castle.

These manor houses and huge estates had belonged to the Baltic German nobility, Estonia's aristocracy, for more than two centuries. Vast fortunes were made trading vodka, ox meat and agricultural produce with Russia, and only in 1939, when Hitler ordered all true Germans home to the fold, did the last of the nobility leave.

There are, the girls said, 1,400

such manors in Estonia, which under Soviet annexation had been used as schools, or summer camps. Now, many were being returned to their previous owners who must, I thought, have mixed feelings at the expensive prospect of restoring these ponderous heirlooms to their former glory.

That night I was the first British visitor to sign the receptionist's book at Leeli, a working farm hotel set up by a recently returned Estonian émigré. At 72, Lembit Soos had sold up in Canada, and come home to the family farm that he had last seen when he fled the Red Army in 1944.

"I could have gone to live on a beach in Florida," he said over

supper, "but I always dreamed of coming back."

His family lands had been collectivised, but Lembit had regained possession last year. That evening, I walked with him in the long summer twilight around his fields, and he talked of the country's turbulent history.

"Estonians have been here for 1,500 years," he said. "But no one really seemed to notice and we have been invaded and occupied for most of that time. Despite all that, we have our language and customs intact."

The following day would be Independence Day, commemorating the 1919 victory of Estonia over the Germans.

"I will hang the Estonian flag from my flagpole on my house," said Lembit proudly. "I am glad at last to be able to do that - only a few years ago, mere possession of the flag would have earned deportation to Siberia."

On the longest day of the summer, I arrived at Kasnu, a village on Estonia's northern Baltic coast. Wooden houses faced the sea, and in the newly opened maritime museum, the curator, a tall man called Aarne, said that here, too, I was the first British visitor.

"You know," he said, "that in the 1930s, sea captains had their summer cottages in Kasnu and your pound sterling was an accepted currency here."

Baltic schooners were built on the beach, and there was regular trade between Estonia, Sweden, Finland and Britain. But the Soviets had made this a border zone, and boat building had ceased.

"If the border guards caught you swimming here after 9pm you would be under arrest. Finland is only 80km away," he said nodding to the north. "They must have thought that all Estonians were marathon swimmers."

Aarne invited me to a small party he was holding that night to celebrate the ancient summer feast of St John's Eve and at 11pm, with the sun still high above the horizon, eight of us sat on the terrace of the museum.

Bonfires shimmered along the coast, where other groups were celebrating the longest day, and as midnight approached children floated candles on little planks of wood out into the calm Baltic. The sky and sea slowly turned an extraordinary lemon colour, the horizon disappearing in a blaze of soft light.

"On this night many couples go into the woods to look for the flowering fern," said Aarne. "Which, of course, they never find - but they take a long time looking - and there is usually a little crop of St John's babies born in the following March."

What, I wondered, would the sister in Puhitisa Convent have thought of that.

Nick Haslam flew to Estonia with Estonian Airlines (tel: 01293-534 735). His itinerary in Estonia was organised by Intra Travel, tel: 0171-323 3305, fax: 0171-637 1428.

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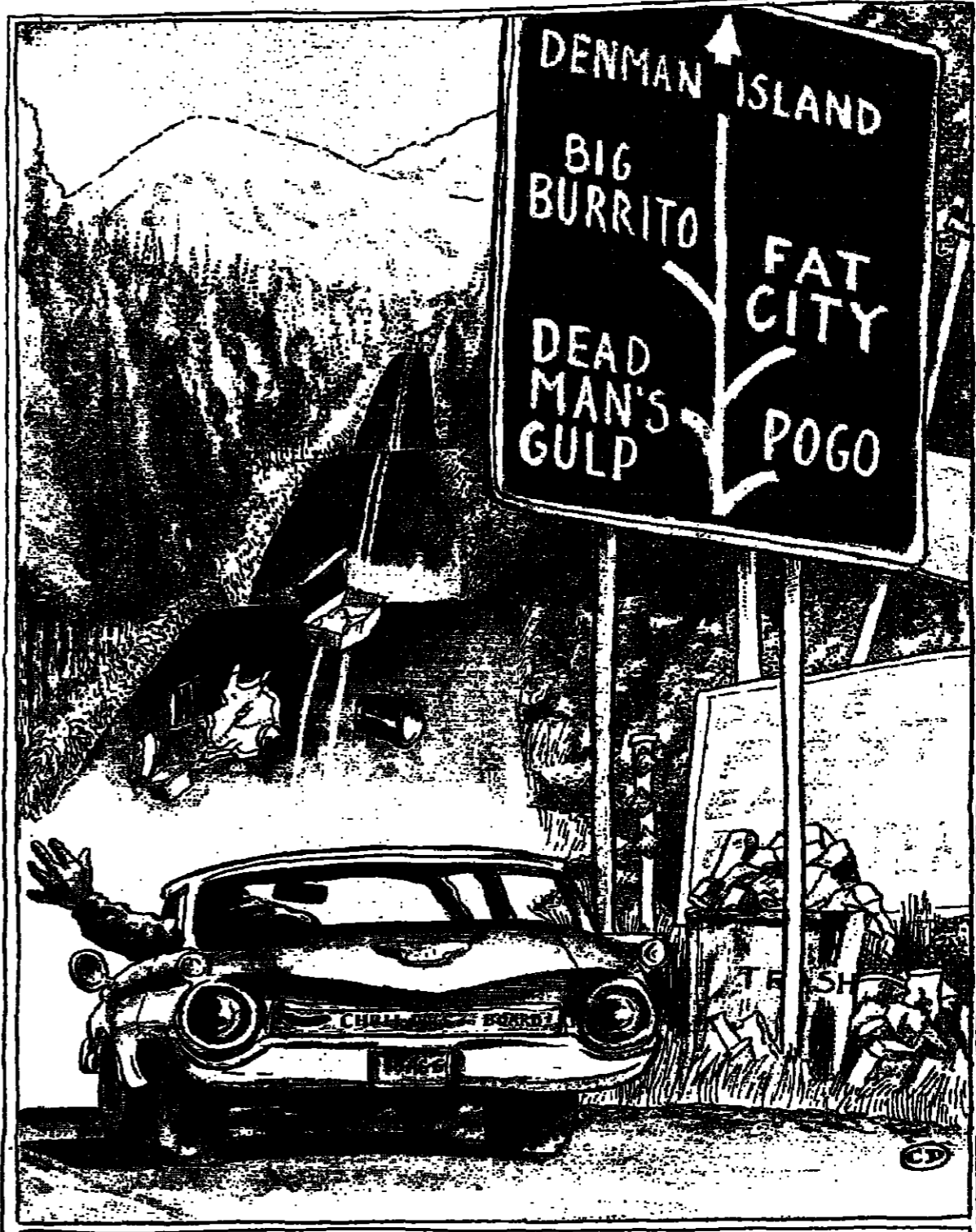
Rescued from the junk food abyss

Nicholas Woodworth finds cardiovascular salvation on Denman Island, home of the healthy and delicious soy-bean tofu mock turkey

Like Lewis and Clark, the first explorers to cross the American continent from east to west, I arrived on the shores of the Pacific with a great sense of relief. Their journey had been a gruelling one. So, too, had mine. Short of provisions, they had suffered so cruelly from gnawing hunger that they had eventually eaten their dogs. But I, also, had eaten dogs - hot dogs, chilli dogs and the infamous pogo, a hot dog skewered on a stick and deep-fried in batter. Behind me, in fact, lay a long trail of ill-considered encounters with every fast-food item in America - with Whoppers and Sno-cones, Quarter-pounders and Double Cheese-burgers, Big Burritos and large orders of Golden Fries. Now I, too, was suffering cruelly. Why had I done it? Because for me, as for millions of Americans, hamburgers and the like are quick, convenient, inexpensive, and can be consumed with one hand while tearing down the inter-state highway at 75 miles an hour. They also satisfy what seems to be a deep-seated human craving for fat. Had I cared if my Jumbo Barbeque-smoked Ranchburger was poly-unsaturated or not? Of course I had not. I could feel grease caking up on my ventricles, stodge lodging in the u-joints of my plumbing. I was a walking cardiovascular nightmare. I had gone. I knew with a sense of impending doom, one burger too far. Was it too late for me? I hoped not. My destination was an 11-acre patch of sanity on Denman Island in the Strait of Georgia, the chilly body of water separating Vancouver Island from the British Columbia mainland. Almost a decade ago old Vancouver friends of mine, Rod McNabb and Viasta Ulovec, had fled the city and busy, hard-working lives for what they imagined to be a rural idyll. Today their orchard on Denman Island, producing 40 varieties of organically grown apples - 45,000lb in all each year - has them just as busy and hard-working as before. But it remains the healthiest place I know. If anyone could put me right, they could. Some mainlanders might view Denman Island as cloud-cuckoo land. And indeed, I must admit that, blended with the fragrant wood smoke emanating from some of its farmhouses and rustic log homesteads is a fine mist of west-coast looniness - I Ching, Yin-yang, and new-age visions of the imminent collapse of capitalist civilisation are the least of it. On the other hand, having just finished a 6,000-mile dash across a continent relentlessly bent on an equally loony cholesterol-rich feeding frenzy, I am not sure that such visions are not warranted. At any rate, while Denman Islanders are not short of all manner of esoterica, there is one subject on which their ideas are clear and hard-edged. Junk food is out; healthy eating is in. No sooner had I arrived than Rod and Viasta dragged me over to their neighbours, the Grogans, for a Thanksgiving dinner that positively hummed with health. There on a groaning table was a soy-bean tofu mock-turkey. Constructed of slices of tofu marinated in soy sauce, herbs and onions, layered with bread stuffing, and surfaced with Chinese yuba - sheets of bean curd skin that go crispy and glazed when baked - it looked for all the world like a plump, oven-brown gobbler. Accompanying it was a rich brown gravy made from

nutritional yeast flakes and soy sauce; a tri-colour mashed-potato terrine of gold, white and blue potatoes; acorn squash stuffed with wild rice, pecans and chanterelle mushrooms; kale salad; home-baked bread; vegan pumpkin pie and chocolate-courgette cake with an amaretto-tofu whipped topping. Tofu? Nutritional yeast? And who, for heaven's sake, has heard anything good, or anything at all for that matter, about yuba? It was enough to make a Whopper-tarian cook book (available in Britain through Airlift Publishing) is called Twenty Minutes to Dinner. If eating healthy food is easy, producing it requires something more of a commitment. The 700 trees on the McNabb-Ulovec acres see not a trace of the tons of chemical pesticides, herbicides, fungicides and fertilisers that help produce fruit, vegetables or grains on a conventional farm. Instead, mobile patrols of more than 100 free-range chickens - wander the orchard, picking off many of the insects that attack the trees. The codling moth, the insect responsible for the proverbial worm in the apple, is defeated with a more cunning technology - confused by twist-ties impregnated with the sex pheromone of the female codling, male codlings are unable to locate a mate and quit the orchard in disgust. Sulphur holds back apple-scab. Mowing holds down grass and weeds. Natural fertilisers of fish meal, kelp powder and composted manure are dug into the soil to keep it fertile and rich. It all means back-breaking, time-consuming labour. Is it worth it? In more relaxed moments in the evening, over glasses of strong cider, Rod and Viasta will admit it is. Viasta, who fled communist Prague in 1968, has an ingrained distaste for the kind of economic power and authority that now dominates the food production industry. Rod believes that conventional agri-business practices are depleting the earth of its productive capacity, are unsustainable and must change if we are to survive. And is it worth it to us, the consumers of food? The lures of fast food notwithstanding, it apparently is. On a frosty Saturday morning we stripped my van's interior, loaded it with boxes of apples and headed off on the ferry to Vancouver Island's Comox Valley Farmer's Market. There I saw that the proof of the pudding is in the eating. Fresh and crisp, tasting nothing like the tired old Granny Smith that sits in the supermarket, our apples disappeared as fast as we set them out. These were not starry-eyed new-agers lining up to buy Bramleys and Kiddes', Dabnettes and Spartans, Cox's Orange Pippins and a dozen other apple varieties. These were people who think the food we eat has something to do with the health we do, or do not, enjoy. It seems logical. There may be a hamburger, even a french fry or two, waiting for me down the road. But when I left Denman Island I made sure there was also a good supply of apples left for me in the back of the van.

Who has heard anything good, or anything at all for that matter, about yuba?



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OUTDOORS

Skiing Star spangled tracks in the snow

Arnie Wilson takes a trip to Sestriere to look at preparations for the World Championships

The Milky Way, or *Via Lattea*, ski area has welcomed a good few celebrities to its slopes: Hannibal was the first one to pass through the snows of the Alta Val di Susa in 218BC - on an elephant of course, rather than skis.

The Monginevro road continued to be an Alpine battleground until the dark ages and the turmoil has left the region feeling ambivalent about its true roots and loyalties.

Almost 2,000 years after Hannibal, the valley was still being described as "wild and impenetrable, a land of perpetual snows, tumultuous torrents, rocky pastures and an icy climate". In spite of this, it became one of the most important links between Italy and the rest of Europe.

By the time Douglas Fairbanks and Mary Pickford posed for photographs there, Giovanni Agnelli had built what was arguably the first purpose-built ski resort at Sestriere, for the recreation of workers at his Fiat factory in Turin, but also to encourage car-use in the immediate pre-war years.

Contrary to myth, Mussolini, another famous name linked with the resort, never skied there, but demanded the Italianisation of its French name from Sestriere to Sestriere - a small concession which lives on: both versions are still used today.

There have been great ski champions aplenty - from Hans Nödl and Zeno Colò to Duillard, Schranz and Killy. Alberto Tomba, Bologna's favourite skier, practically owns the slopes. Indeed, the Tomba phenomenon started there when, in November 1987, the "bomba" started his stunning sequence of slalom victories which were to eclipse the likes of Stenmark, Zurbriegen and Girardelli.

Tomba has won the special slalom at Sestriere five times, and has never been placed lower than second in any race he has finished there - even under floodlights, introduced recently with a flourish when he won the first World Cup event to be staged at night.

Now the resort is due to host the World Alpine Championships in February, with Annifant (a name derived from the words Hannibal, elephant and fantasy) as the official mascot. There has been much modernisation, costing L50bn (£20m). Another L50bn will be spent on the event.

The championships will coincide with the 100th anniversary of the "birth of skiing" in Italy when Adolph Kind and friends first appeared in the valleys near Turin equipped with wooden slats on which they slid through the snow. Thirty years later, Fiat tractors



The Alps' first purpose-built ski resort: Agnelli built it for workers at his Fiat factory in Turin

were clearing the snow in the Valsusa in readiness for the construction of the ski resort.

Sestriere (6,675ft) is the hub of the Milky Way, a gentle circuit through Piedmont larch forests with some exquisite scenery from Savoie d'Orléans across the French border to Montgenève, taking in the resorts of Sancaire, Clavière and Cesana. More difficult skiing can be found by coming off the main route and exploring

individual resorts, particularly Sestriere itself.

The system has 100 lifts (the 70 on the Italian side are almost entirely owned by Sestriere), almost 500km of pistes, and nearly 1,000 computerised snow cañons.

Having taken a pre-championships trip to Sestriere, I was driven back to the airport at Turin by Tiziana Nasl, the resort's president. "Things are going well," she said. "We've had heaps of snow but luckily the

Gardening/Robin Lane Fox

If it moves, squash it or shoot it

Three years ago, I stood with the lady undergardener of a famous Italian garden and listened to her vision of the future. The garden, she said, would become a Conservation Sanctuary with particular attention to wildlife. Those who know the Italian track record with small birds will appreciate the irony. Three years later, the garden is recovering and the undergardener has found other employment.

Meanwhile, the disease seems to be spreading. Books pour out by the dozen, implying that wildlife is one of the garden's assets. The new team on Gardeners' Question Time, the radio programme, could not even say boo to a squirrel. I have read, heard and winced while respected garden enthusiasts have misrepresented the art of gardening by proclaiming that it has something to do with animal conservation and a form of cuddly, furry asylum.

Whenever I mention a hedgehog, town dwellers start to envy the long, dark weeks of a Cotswold winter. Mention a pheasant and they think nostalgically of the call of the cock bird as he prepares to roost on a December evening. Earthworms have begun to be considered a national asset. Foxes have been re-scheduled as friendly fruit-eaters.

As for the ladybird, it has started to make captives of industry feel jumpy, now that researchers have shown that the male ladybird can make love nine times a day and sustain a climax for an hour and a half. How lucky you are to be in touch with nature, outsiders tell me.



My own advice to any serious gardener is to be sure that they are properly armed. No gardener in their right mind wants wildlife anywhere near a botanical haven. The truth is that if it moves, squash it or shoot it and never believe that animal intruders are anything

other than a pest. Armoured attack is most unlikely to upset the balance of nature. However many hares you kill in the shrubbery, you will make a minimal dent in the hare population of open country.

You may think that you love badgers and would regard yourself as privileged if one came to nose around in your orchard. After it had nosed around, invited its friends, dug up half the lawn and behaved in a truly badger-like fashion, you would willingly shoot it if you cared at all for your garden's appearance. It would be an insignificant drop in the ocean of the fast-breeding badger population which has

been growing since the early 1990s.

Gardening and animal conservation have nothing to do with each other. At most, people like to suggest alternative remedies for giving unwanted visitors a mild surprise. I, too, have believed the myths, that bundles of human hair will deter deer and that slugs will self-destruct on a grand scale in grapefruit-filled with beer. They are remedies as feeble as the advice to put creosote on tree-trunks in order to deter rabbits.

I am not exempting cats and dogs. Their only grace is that they are usually known individuals who frequent a particular territory while straying from a known source. I have known people who swear by accurate use of the catapult and a tickle up with pellet shot long-range from an air pistol. Powerful squirting with a hose makes an impression on some cats.

More so than the recipe for cat-protection, Silent Roar, which many thought to be a hoax when I reported it as the latest device of the Sloane-Walleys at Chelsea. Powdered lion dung is, indeed, being sold under the packed name of Silent Roar. Yet the wretched animal invading my garden showed not the slightest inhibition at the sight of the "droppings".

Hunting knives are probably out of the question but I have come to think that an air-gun is a basic tool in the garden. Of course, those earthworms are essential for the structure of the soil but they have never heard of the ancient Greek principle of Nothing in Excess. Naturally, nobody now sells mowrah meal with which post-colonial colonels used to decimate their worm population.

Before you put out milk for a litter of cubs, be sure to ask a professional huntsman about the potential destruction which foxes can work wherever there is a dustbin within scenting distance.

You do not need to ask a huntsman about the capacity of your dear friend, Squirrel Nutkin. All you need to do is to plant as many corms of species crocus as I have during the past 10 years and watch the little horror dig them up and eat them as a savoury. Bullets are the best answer but may I also recommend that you repay dear Nutkin in kind and try eating him once you have shot him.

The older I become, the more I believe that the hero of gardening was really Tom Lehrer. "People ask me how I do it. And I say there's nothing to it. I just sit there looking cute. And when something moves, I shoot."

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PROPERTY

All eyes in the New York residential market are looking downtown. Not just towards the loft land of Greenwich Village, SoHo and TriBeCa, but right down to Wall Street and the financial district on the tip of Manhattan, where the city's property pioneers are panning for gold.

Will they find it? Not if you listen to the real estate brokers who work the traditional hot-spots around Central Park. They point out that Wall Street turns the lights off at 7pm. Why should a banker choose such a sterile environment over the sophistication of the Upper East side?

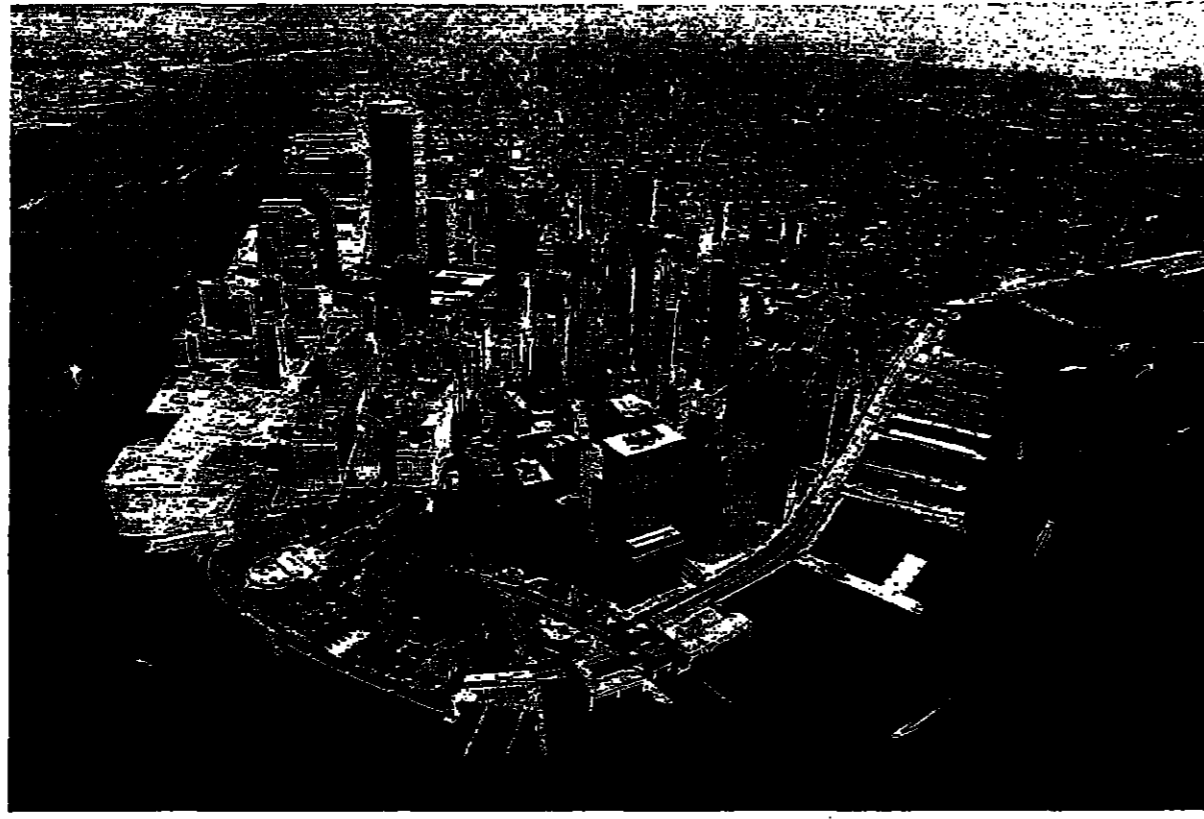
The answer from Mayor Rudolph Giuliani, who attended the ceremony to mark the start of the first Wall Street conversion at Number 45 in July, was that 25 other buildings look set to follow. With thousands of new residents adding to the 300,000 people working in the neighbourhood, the restaurants, shops and entertainments are bound to come.

The answer from Rockrose, the developers of 45 Wall Street, is that they will pitch their prices at least 20 per cent below the average uptown rates of \$350 a square foot and go for the rental market only. They hope to vacuum up some of the vast unsatisfied demand for rental properties in New York.

You wonder if the same arguments were traded 20 years ago about the prospects for Greenwich Village. It is here and in neighbouring downtown districts that New York is seeing its highest price rises this year. The average sale price in Greenwich Village rose by between 23 per cent and 30 per cent in the first six months of 1996, according to figures published by Douglas Elliman, the largest residential brokerage firm in Manhattan.

The price per square foot for a Greenwich condominium is just under \$320, much the same as on the Upper West side.

It is young money driving the market downtown. Barbara Corcoran, of the Corcoran Group of brokers, says the average age of her buyers below 42nd Street is 34 compared with 48 above. A



Up and coming in Manhattan: Wall Street is just one of the districts in which buildings are being converted for residential use

Downtown on the up

Anne Spackman on New York's latest residential hot-spots

woman photographer in her 20s has just paid more than \$3.45m for a top floor loft in shell form.

With Greenwich so established the next generation is colonising the neighbouring areas of TriBeCa, SoHo and Chelsea. The social attractions are already there, with David Bouley's burgeoning restaurant business, the avant-garde Dia Centre for the Arts and the leisure complex at Chelsea Piers all focal points.

When brokers Ambrose MarElla launched the Spears Building, a warehouse conversion in Chelsea, in September, they accepted 10 offers on the opening day and have raised the prices three times since. Of all the downtown neighbourhoods, Chelsea is most people's bet for the best prospects of capital growth.

All this activity downtown has not detracted from a buoyant market in New York's traditional prime

uptown locations. Wall Street may be the touchstone address for residential conversions, but Wall Street money is driving prices on the Upper East side.

The greatest demand is for family apartments and townhouses for the couples who have turned their backs on commuting. Prices are rising primarily through shortage of supply, coupled with Wall Street bonuses.

Corcoran estimates prices for the large, traditional Upper East side prewar apartments have risen 30 per cent in the last four years. The most spectacular sale in the city this year was of an apartment on Fifth Avenue which went for nearly \$15m.

Sotheby's International Realty reports more interest in townhouses than ever before, as buyers turn against the co-operative system which dominates the city.

In New York the market is

largely divided between condominiums and co-ops, with co-ops out-numbering condos four to one. In a condominium you buy your apartment and pay a common charge for the services. In New York that means at least a hefty dollar per square foot for the average buyer, though the services include a porter, concierge and maintenance team as standard.

A two-bedroom, two bathroom apartment in Trump Tower has just changed hands for \$1.27m. The monthly charges are \$2,800 and that does not include parking. Garage spaces are leased separately for anything from \$300 to \$600 a month - plus an 18 per cent city parking tax.

In a co-op you buy shares in the company which owns the building, rather than buying your particular

apartment. The monthly maintenance charge, as it is called, includes services and local taxes as well as the interest payments on the mortgage on the building.

The problem is, to buy in a co-op you must pass the stringent demands of the co-op board. They demand full financial disclosure - not to mention details of where you send your children to school and which clubs you belong to - and they can veto you without giving their reasons. If your assets are outside the US you do not stand a chance, which is why co-ops are full of New Yorkers and condos tend to be disproportionately international.

The move against such interference is akin to the preference for freehold rather than leasehold purchase in London. In this respect - and dozens more - the two cities' property markets are moving in tandem. Demand for prime property

is high - driven primarily by the financial sector.

Previously commercial neighbourhoods are going residential as young people prefer the city to the suburbs and loft prices are subsequently sky high. The rental business is experiencing an unprecedented boom. Both cities are buzzing with the feel-good factor, for which New Yorkers generally credit Mayor Giuliani.

The one big difference between the two cities is that New York has no equivalent of the south-east Asian investors who have effectively underwritten London's new build market. The New York brokers are keen to attract some Hong Kong money, but so far progress has been slow. Sotheby's has just sold one apartment in the new Knickerbocker building on the Upper East side at an exhibition in Hong Kong. English developers would expect to do at least a third of their sales there.

Those from overseas who do buy go for buildings like Donald Trump's new international hotel and tower at Number One Central Park West, which he modestly markets as "the most important new address in the world". They buy partly because it is one of the most prestigious sites in Manhattan, with views across Central Park and the Manhattan skyline. But it is also because such condominiums, with hotel-style services, are some of the only places available to people who do not pass muster with the co-op boards.

Such buildings are considered to operate in a different market from the mainstream domestically driven New York. Indeed, so alien are they to the new inhabitants of downtown, that a sales banner has gone up on a loft conversion in Greenwich Village, which reads "Absolutely not the most important address in the world, but a nice building with nice spaces".

(Code for Manhattan 001-212) Douglas Elliman 891 7145; Ambrose MarElla 742 7789; Corcoran Group 355 3550; Rockrose 697 4422; Trump sales centre 247 7000. Prime specialists - Sotheby's International Realty 606 7660; Broom Harris Stevens 508 7200; Striding Associates 570 2440.

On the Move / Anne Spackman

Recovery is nationwide

With only 3 per cent of UK estate agents surveyed in the latest monthly report from the Royal Institution of Chartered Surveyors reporting a fall in house prices - compared with more than 21 per cent in November last year - the housing recovery can truly be described as nationwide.

But in many parts of the country it is only a recovery. The 5 to 7 per cent price increases recorded by the building societies over the past 12 months seem to run out around Birmingham in the Midlands and Somerset in the west. Prices in most regions more than 100 miles from London are stable for all but exceptional properties.

A typical observation is from Peter Wright of Sanders, Wright and Freeman in Wolverhampton: "The improvement in the market continues, although there is only evidence of prices rising in certain sectors, most notably well-situated Victorian and inter-war houses."

Further north, agents are talking of price rises only as a future possibility. Even in the more buoyant areas like north Yorkshire and Cheshire, agents are worried that talk of increases is premature. In Boroughbridge and Huddersfield agents say prices remain the same as last year. John Robinson of Whittaker and Biggs in Congleton, Cheshire, reports: "Serious interest has steadily increased, with properties exchanging on a more frequent basis. Prices, however, still need to be realistic to maintain this interest."

Almost all areas of the home counties are seeing prices rise, driven by the acute shortage of family

houses to buy. But even in prosperous cities like Winchester, properties lacking character are price sensitive.

Many agents say they expect rises in 1997, providing interest rates do not increase too sharply.

If you are in the house-buying queue, do not assume that it is the cash buyers who hold all the cards. In the present market, the non-cash buyer also has a unique selling point - a property to put on the market. White sellers might prefer the simplicity of dealing with cash buyers offering good prices and quick moving dates, agents might prefer to give non-cash buyers first crack at the houses in the hope that they, in turn, will sell their properties.

A record price of more than £1m has been paid for a single house in Cambridge by one of the university colleges. Clanc Hall bought the Rothschild family's former house. The 1900s house, with 10 bedrooms and six bathrooms, which was on the market with Bidwells, was one of a few private residences in the university-dominated west side of Cambridge. It will be used to house visiting senior academics.

Bedfordbury is a narrow Covent Garden lane, known to few outside the London theatre set, which boasts a row of listed 17th century houses. Owned for 300 years by the Symson Estate, number 23 passed to a man who had originally been a tenant in its top floor rooms. After 40 years there, he is selling the freehold house, with nine rooms over two floors, through Winkworth's West End office (0171-240 3322). The price tag is \$275,000.

LONDON PROPERTY

Advertisement for SOVEREIGN HOUSE, featuring 41 apartments sold in 48 hours, immediate release of 20 1-bed luxury apartments, and contact information for National Enquiries.

Advertisement for 45 MARLBOROUGH PLACE, a luxurious development of 33 one, two, three and four bedroom apartments and penthouses.

Advertisement for AYLESFORD, featuring WILTON ROW, SW1, a rare double fronted town house situated in a private courtyard.

INTERNATIONAL PROPERTY

Real estate listings including '7 MINUTES TO THE CITY', 'OLD SUN WHARF', and 'LETTINGS'.

Real estate listings for 'TUSCANY' and 'AFRICAN GAME RESERVE'.

Real estate listings for 'GUERNSEY' and 'ORLANDO FLORIDA'.

Real estate listing for 'Lyford Cay NASSAU, BAHAMAS'.

Real estate listings for 'TURKS AND CAYMAN ISLANDS' and 'CHALET'.

Real estate listing for 'SWITZERLAND'.

Real estate listing for 'NEW YORK'.

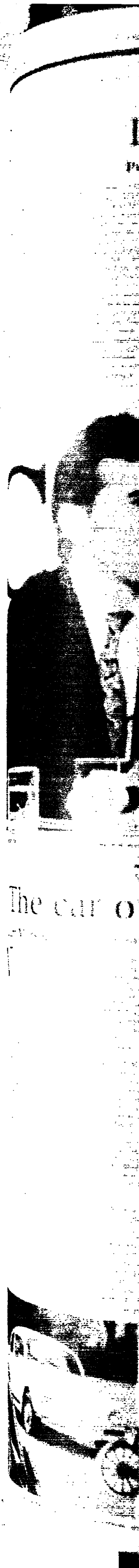
Real estate listing for 'CORALIE PROPERTIES'.

Real estate listing for 'SCOTTSDALE, ARIZONA'.

Real estate listing for 'Interested in New York Real Estate?'.

Real estate listing for 'SPLENDID 18TH CENTURY COUNTRY HOUSE'.

Real estate listing for 'PROPERTY WANTED' and 'WANTED Residential Property Portfolios'.



SPORT / OUTDOORS

Nutrition

Legal fuel for top athletes

Peter Aspden on micro-nutrients, the new performance enhancers

The refuelling habits, as they have come to be known, of top sporting figures vary dramatically according to the culture and traditions of individual sports.

It would be a strange rugby club that celebrated a victory with fruit juice and mineral water, while footballers - particularly in Britain - have little time for pedantic calorie-counting when weighing the attractions of a lunchtime burger-and-chips.

Even in tennis, with its high demands on endurance and concentration, it was considered bizarre when Martina Navratilova first started to take her own personal diet into account with her on the tour; less so when she set new standards in the

women's game through her outstanding fitness and sharpness round the court. In sports in which performance can be measured, however, such as athletics and swimming, it is fast becoming a different story. Anything (legal) which can shave hundredths of seconds off a best performance is thought worth trying, and unprecedented attention is now being paid to nutrition.

Gone are the legendary days of one Alf Tupper, the British comic book creation who needed nothing more than fish and chips before breaking countless middle-distance world records. Many of today's athletes

not only avoid alcohol and foods which are "bad" for you, but can also talk knowledgeably of Omega-3 fatty acids, antioxidant complexes and Q10 coenzymes. Growing attention is being paid to micro-nutrients, as these are known, and supplements which can guarantee their controlled intake during demanding training regimes.

Patrick Magyar, the athletic director of the world's leading track and field event, the Weltklasse Zurich, was in London last week to help promote the launch of a new sports nutritional supplement, Vitell Elite; but his words strike a chord with anyone inter-

ested in physical exercise. Magyar believes that, even in cases of athletes who watch their diet, the poor quality of western foods is having an effect on sporting performance. "Much of our food has degenerated, and does not provide us with the right amounts of protein, carbohydrates, unsaturated fatty acids, vitamins, minerals and trace elements any more."

He said academic studies showed that outstanding performances of African athletes in middle-distance running in recent years were down to diet, altitude and training regimes rather than any inherent genetic factors.

"Instead of discussing why the Africans become better, we should deal with the question of why we don't." To take one example, Magyar said wild animals provided 60 calories of protein and 36 calories of fat per 100 grams of carcass, while domestic animals provided 40 calories of protein and 235 calories of fat.

Vitell has employed the British triple jump world champion Jonathan Edwards to promote their product, deliberately choosing an athlete whose image was already the epitome of clean living. He is one of a growing number who believe supplements have become a

necessity rather than a luxury. "I thought if I had a good balanced diet, I would be OK, but tests showed that my diet was not as good as I thought," he said. Edwards also acknowledged the psychological advantage of feeling you have done everything you can to fuel your body correctly; even he, one of the most even-tempered sportsmen around, talked of the "huge amount of self-doubt" he suffered in the year following his world championship gold medal.

"There were times when the athletics track was the last place I wanted to be," he said.



Jonathan Edwards goes the distance: clean living and supplements

Motor Racing

Formula One fledgling

Stewart Grand Prix has all the right credentials, finds Keith Wheatley



Paul Stewart: racing driver turned hands-on managing director

Paul Stewart was only seven years old when he asked his father the Big One. "Dad, when are you going to die?" Since his father Jackie was three-times motor racing world champion in an era when drivers died with all the predictable regularity of the Grand Prix calendar, it seemed a perfectly reasonable question to the young boy.

"I was at an international school in Switzerland with a lot of other drivers' kids. Jo Bonnier had just been killed at Le Mans and his son told me my Dad was going to be next," recalls Stewart, as he explains his father's opposition to his son following him into motor racing. "He felt he'd beaten the odds and he didn't want anyone else in the family exposed to it again."

Stewart, who in appearance could easily pass for the younger brother of Labour leader Tony Blair, explains the background to the first major new Formula One team of the past five years, Stewart Grand Prix. He does not possess the wit of his father. Instead, he is open and eager, and anxious

to show off his gleaming new company. Despite paternal opposition he became a racing driver, in the junior leagues of Formula Ford 2000 and then Formula Three, the crucial jump-off point for a Grand Prix career. It was a leap Stewart junior declined to make, despite well-attested offers from key teams. Did he fail to make the cut as a driver? Stewart handles the familiar question gracefully and with honesty.

"I wasn't a waste of time in a car but I wasn't good enough to be world champion," he answers. "The one time I raced against contemporaries like Heinz-Harald Frentzen and Michael Schumacher I out-qualified them."

He was quick enough around the track but lacked the racer's instinct. Schumacher, Frentzen and David Coulthard had raced karts since boyhood. Paul Stewart on the other hand had finished his politics degree at Dukes University in South Carolina before overcoming family opposition sufficiently to sit in his first racing car. "I was already getting equal pleasure from running the team

when I decided to stop driving. There was a real worry that if I went into Formula One it would be the case of 'that's Jackie Stewart's son - the one that's no good!'"

Stewart sr, organised and polished to a degree, seems not the kind of man to welcome such a prospect blighting the family escutcheon. Their roles in the new Stewart Grand Prix operation are clear-cut. Jackie is the globe-trotting fundraiser. His celebrity and style still open many corporate doors 20 years after he retired from the cockpit. His biggest coups to date are bringing on board the Hongkong and Shanghai Bank and Malaysian government sponsorships, links that are expected to bring in the bulk of the £20m needed for the first year's operation.

Paul Stewart's role is the hands-on managing director, flitting around the subfusc industrial units on the edge of Milton Keynes (the new town 60 miles north of London) that make up the headquarters of SGP. They are low-key premises, sandwiched in a workshop terrace between Objective Metric Indices and Davron Finishing Industries. "It's not exactly glamorous

is it?" Paul Stewart says. In January this year, when the debut of Stewart Grand Prix was announced in Detroit at the headquarters of its engine partners, Ford, the team had a manufacturing and design capacity of precisely zero.

"It was frightening how much there was to do," he recalls from the design centre, surrounded by a dozen massively powerful CAD-CAM workstations. Stewart is the first grand prix team to leave drawing boards behind and move entirely to computers. "This whole area was a truck-bay until last Easter." With around three months until the 1997 season begins with the Melbourne Grand Prix, much of the focus is on deliveries. Thousands of components have been designed and ordered from specialist sub-contractors. Now they are beginning to arrive and assembly of the cars themselves begins. In one room sits a full-scale mock-up of the cockpit.

Drivers Jan Magnussen and Rubens Barichello come here and sit for hours being measured minutely for items such as harnesses and control pedals. Nothing in Formula One is off-the-shelf.

"We negotiated quite hard for Damon Hill," admits Stewart. "My father and I made an offer and flew over to Dublin for a very pleasant meeting at his home. Financially it was a long-shot whether we could afford him but we felt we had to give it a go. Damon's lawyers sent us a counter-offer which I keep for amusement as a page-mark in my desk diary."

What Hill would have brought to the fledgling team was not so much the kudos of the driver's world championship but a hugely respected ability to feed back information to his race engineers and get a new car quickly on the pace.

Despite the Ford engines, the sponsors' dollars and the vast expertise of the near 100-staff, the Stewart operation will be on the steepest of learning curves. Winning a Grand Prix is ferociously difficult, as teams such as Jordan could testify. How will the new boys do? "If we qualify between 10th and 15th on the grid we'll be doing a good job," says Stewart. "We've got to expect the Big Four [Williams, Ferrari, Benetton and McLaren] plus Jordan to beat us in the early days."

Motoring

The car of the century

Stuart Marshall shortlists his own five 'most deserving' finalists

With Europe's Car of the Year 1997 contest out of the way (as widely predicted, the Renault Megane Scenic won it easily) it is time to think about the Car of the Century. The countdown to a three-year campaign has already started.

About 700 cars are reckoned to be eligible. An honorary committee of six members of the international motoring writing glitterati - no, I am not among them - will have whittled the 700 down to 200 by the end of this month and their names will be announced at the Amsterdam Motor Show on February 3 next year.

The Car of the Century will eventually be chosen by what the organisers describe as a worldwide jury of 100 respected professional motoring journalists from Europe, North America, Asia and Australia. Members of the general public will also have a chance to air their views. A selection of 100 candidate cars is to be displayed at various centres and will be accessible on the Internet. Each visitor or Net user will be able to vote for three cars in four categories -

family saloons, sports cars, grand touring cars and prestige cars. The result will be taken into consideration when the professional jury draws up a shortlist of five cars to be revealed at the Frankfurt Show in October 1999. The Car of the Century will be announced at a worldwide television finale that December.

If you think it all sounds rather complicated, you would be right. I have no idea what the 700 eligible candidates are, nor will I know until February which 200 have been chosen to go forward. But I have been wondering which five cars made in the last 100 years most deserved to be finalists. Those I would toss into the arena are the Ford Model T, Citroën traction avant, VW Beetle, Willys Jeep and BMC Mini.

Ford made more than 16m Model T cars (otherwise Tin Lizzies) from 1909 to 1927. It was a watershed - the car that changed the US. A large part of the first generation of post first world war US citizens is said to have been conceived in Tin Lizzies. Before it came, cars were replacements for the carriages of the wealthy. After Model T's arrival, the moto-

risation of America got under way, though outside of the towns, metalled roads were few and far between. Citroën's traction avant of 1934 was truly a technical masterpiece. It had a load-bearing, sheet steel hull when nearly all cars were based on a separate chassis and the ash framed coach-built body was still alive and creaking. It was, of course, front-wheel drive. With an extravagantly long wheel-base and wide track, it offered new dimensions of ride comfort, road holding and handling.

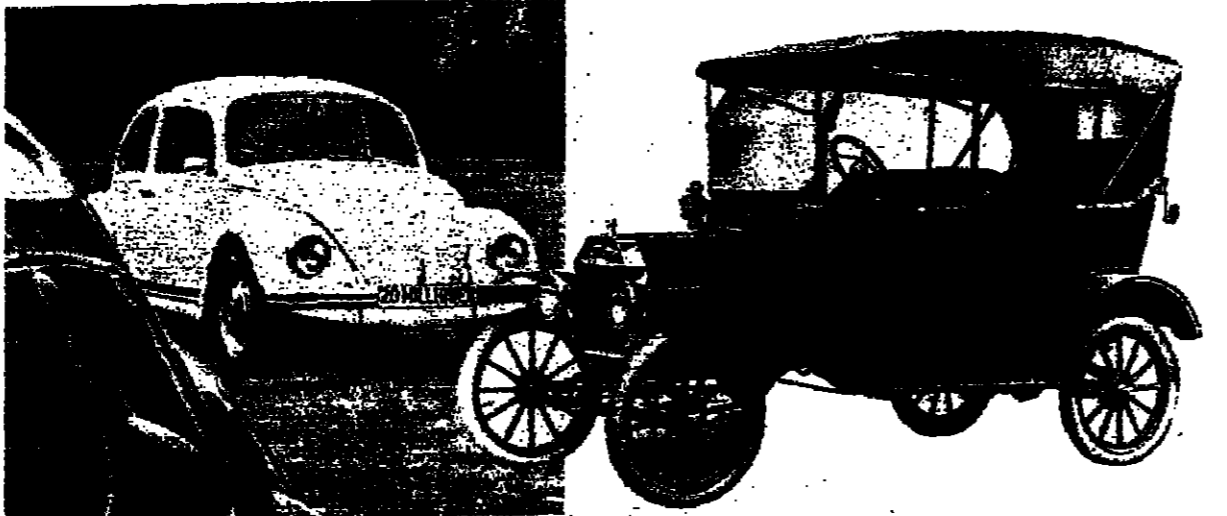
The Volkswagen out did even the Ford Model T, with more than 23m produced. Hitler said at the inception of the VW factory in 1938 that it was a car for the people, but the German public's advance payments helped fuel the Nazi war machine instead. After a shaky post-war start, the VW swept all before it. Millions are still in use worldwide.

The Willys Jeep helped win the war for the Allies and created a whole new class of vehicle. It was cheap, rugged and long suffering and went where no other four-wheeled vehicles

had been before. Fifty years on, most of the current generation of light on-off road 4x4 vehicles are laid out mechanically in much the same way as the Jeep. And last, the BMC Mini. It was not the first small car with front-wheel drive or a transversely mounted engine. But none had ever combined these two features with all-independent rubber suspension. The body, seemingly too small to accommodate four people, was a masterpiece of packaging. The Mini's once radical power train, except for the less than successful gearbox in the engine sump, has become the orthodox design for practically all cars of less than two-litre engine capacity.

In arriving at my shortlist of five I had to reject the Rolls-Royce Silver Ghost, which offered new standards of refinement for seriously rich Edwardians; the Citroën deux chevaux, which motorised the French country people; the Fiat 500 Topolino, the first tiny car to be designed like a big one; and the Toyota Corolla, perhaps the ultimate commodity car.

If readers have any other ideas, I would be glad to hear of them.



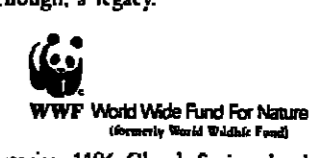
Two all-time greats - the VW Beetle, still the car for millions, and the Ford Model T, the car that changed the US



Unless help is given, the soil is exhausted very quickly by slash and burn farming methods. New tracts of tropical forest would then have to be cleared every two or three years.

A WWF - World Wide Fund For Nature tree nursery addresses some of the problems facing people that can force them to chop down trees. Where hunger or poverty is the underlying cause of deforestation, we can provide fruit trees. The villagers of Mugonga, Zaire, for example, eat papaya and mangoes from WWF trees. And rather than having to sell timber to buy other food, they can now sell the surplus fruit their nursery produces. Where trees are chopped down for firewood, WWF and the local people can protect them by planting fast-growing varieties to form a renewable fuel source. This is particularly valuable in the Impenetrable Forest, Uganda, where indigenous hardwoods take two hundred years to mature. The Markhamia lotoa trees planted by WWF and local villages can be harvested within five or six years of planting. Where trees are chopped down to be used for construction, as in Panama and Pakistan, we supply other species that are fast-growing and easily replaced. These tree nurseries are just part of the work we do with the people of the tropical forest.

WWF sponsors students from developing countries on an agroforestry course at UPAZ University in Costa Rica, where WWF provides technical advice on growing vegetable and grain crops. WWF is calling for the rate of deforestation in the tropics to be halved by 1995, and for there to be no net deforestation by the end of the century. Write to the Membership Officer at the address below to find out how you can help us ensure that this generation does not continue to steal nature's capital from the next. It could be with a donation, or, appropriately enough, a legacy.



WWF World Wide Fund For Nature (formerly World Wildlife Fund) International Secretariat, 1196 Gland, Switzerland.

FOR THE SAKE OF THE CHILDREN WE GAVE THEM A NURSERY.

FOOD AND DRINK

Dry, sweet, fortified and fizzy festive whites

Jancis Robinson on the very best bottles on offer - many below £5 - from pure Oz with a twist of lime, to long-distance runners oozing with class

This selection, about one in 20 of the supermarket and high street wines tasted for this season, is offered in the hope that not all the relevant bottles have been held up by a traffic jam outside Calais.

DRY WHITES UNDER £5

Much as I hate the idea that supermarkets are leaning on peasant farmers and squeezing ridiculously low prices out of them, even I have to admit that there is still some terrific wine around under £3.50 a bottle - which is just as well since the average price paid per bottle in Britain is less than £2.50. This selection ascends in price order as far as the £5 barrier and shows heartening evidence that producers are beginning to discover a much wider palette of flavours than in the recent past, often by the old-fashioned practice of blending. Star performers are South Africa, Navarra in northern Spain, and Argentina. The Australians are back in the picture now that their grape shortage is over but the French seem not to be trying in this price bracket. (Thresher group includes Wine Rack and Bottoms Up.) Safeway Mendoza White 1996 £2.99. That gummy fullness of Argentine whites, but with quite enough acidity to keep it fresh and clean. Relatively alcoholic. Asda Argentine White 1996 £2.99. A lively blend of Chenin Blanc and Torrontes, both of which grapes the Argentinians are in profusion. Safeway Cape White £2.99. Superior bargain South African blend of soft, appley Chenin and Colombard much improved by three months lees contact and UK bottled to keep prices down. Light but innocuous. Drink this instant! Durvar Pinot Gris 1995 £3.29 Oddbins. Off dry, full-bodied, very positive Hungarian.

Rylands Grove Chenin/Colombard 1996 £3.49 Tesco. Kym Milne's version of this South African blend: full, lively, confident. Ridgewood Trebbiano 1995 S & Australia £3.59 Waitrose. Winning mixture of heft and wit achieved thanks to careful use of oak chips. (Without 'em Trebbiano tends to taste of nothing at all.) Kings Canyon Sauvignon Blanc 1995 £3.99 Thresher group. Most unexpected: a bargain from California and made from Sauvignon grapes to boot. The explanation is flying winemaker and Sauvignon master Hugh Ryan and, just possibly, underpricing. Last vintage of this transatlantic co-operation now that the Californians have run out of grapes. Fairview Chenin Blanc 1996 Pear £3.99 Waitrose. Lots of peazz, life and a flavour which South Africans insist is guava. Tesco South African Chardonnay/Colombard £3.99. Ukrainian Aussie winemaker John Worontshak was sent to Graham Beck's winery in Robertson to make this smooth-textured blend, which nicely underlines the pointlessness of sending him to Brazil. San Andres Chardonnay 1996 Lontze £3.99 Waitrose only. Particularly competent unsoaked Chilean. Bodega Lurton Pinot Gris 1996 Mendoza £3.99 Waitrose only. The last thing you would expect from Argentina, a very creditable rip-off of Alsace. Full, meaty, off dry, great with "red wine food". Sainsbury's Verdicchio del Castelli di Jesi Classico 1995 £3.99. Green tang, lively, much more fruit than one has come to expect from Italian whites at this price. Soave Classico 1995 Sante-pietre, Lamberti £3.99. Majestic. Another successful, lemony Italian exception. Cardeto Orvieto Classico 1995 £3.99 Waitrose. The third piece of evidence that Italian white winemakers have finally got the message. Bright Bros Farnas Pines/Chardonnay 1996 £3.99 Safe-

way and elsewhere. Full, quite scented, very fruity, keenly priced blend making the most of one of Portugal's most planted white grapes. Winter Hill Semillon/Chardonnay 1995 £3.99 Waitrose only. Not the basic blend but a superior tank, dominated by the rich lemon flavours of Semillon, an Australian-influenced Vins de Pays d'Oc. Lindemans Cawarra Unsoaked Chardonnay £4.49 Oddbins. Tres chic, this "unsoaked" tag. Good, punchy stuff. Ch La Jaubertie 1995 Bergerac £4.69 Majestic. Another Semillon-dominated wine from south-west France, from a property now revived by Australian-trained son of the original reviver Hugh Ryan. Smoke and intensity. Agramont Viura/Chardonnay 1995 Navarra £4.75 Waitrose. Creamy and much more harmonious than previous vintages. Might even convince me that Viura can take oak. Durus Bianco Marques de Griñon 1995 Fullers £4.99. Characterful, broad, almost varnished blend from Rueda of the local Verdejo grape with Viura and Sauvignon. Griñon is a benevolent force in Spanish wine. Jacana Bush Vine Chenin Blanc 1996 £4.99 Fullers only. Extremely characterful; a million miles from the usual mouthwash and bile value from Stellenbosch. Santa Ines Barrel Fermented Chardonnay 1995 £4.99 Fullers. Very competent and good value. Simple but correct and appetising. Casillero del Diablo Chardonnay 1995 £4.99 Oddbins. Full, rich, leesy, almost cheesy, but very concentrated for the money. Valdivieso Chardonnay Reserva 1995 £4.99 Fullers, Bibendum of London NWL. Over-achieving Chilean bodega is advised by Argentina's Californian winemaking wizard Paul Hobbs with winemaking input from Philippe Debrus, a Frenchman who makes Omar Khayyam, India's sparkling surprise. Look out for the Valdivieso fizz Bibendum expect to import at £4.99 next month. Nekas Barrel Fermented Chardonnay 1995 £4.99 Fullers. Sold as Vega Sindoa at Oddbins. Impressively bodega effort from Navarra. Lovely acid. Chardonnay 1995 South Eastern Australia £4.99 Marks and Spencer. Textbook oaked fruit salad from Australia's irrigated wine country. Drink as soon as possible. Denbies Pinot Blanc 1995 and Yellowhammer 1995 £4.99 Oddbins. Good to see Denbies' prices coming down and Oddbins taking English wine seriously. The Yellowhammer is another Worontshak offering and tastes lightly chipped. Both are extremely respectable. Peter Lehmann Barossa Semillon 1995 £4.99 Safeway etc. The best buy in this section. Green-fruit nose, great new Picasso-esque label. Cloves and real guts on the palate. Fresh, punchy, long. (Much better than his oily Chardonnay/Semillon.)

Malvasia del Salento 1995 £3.99 M&S. Single estate's intriguingly tawny Malvasia Bianca grape grown on the heel of Italy. Off dry but with lots of flavour and zip. Norton Torrontes 1996 £4.49 Oddbins. A particularly full-bodied variation on this Argentine theme. Bridgewater Mill Clare Riesling 1994 £4.49 Thresher group. Reduced from £4.99 until Jan 2 and even better value than the wine below. Spice, steel and some seriously complicated flavours from the Petaluma diffusion label. Wynns Coonawarra Estate Riesling 1996 £4.99 Majestic, J. Sainsbury. A particularly successful vintage: dry, racy. Not the over-perfumed oiliness that can beset Australian Riesling. Johannishberg Riesling 1995 and Zell Castle Riesling Spätlese both £4.99 M&S. More attempts to add body to two classic German wine styles, Rhine and Mosel respectively. Erdner Treppchen Riesling 1991 Monchhof £4.99 Waitrose. Better value than the above wines because it is fully mature and beautifully balanced. There is some sweetness, so probably best drunk as a bargain aperitif. Ockfener Bockstein Riesling 1995 Dr Wagner £5.45 Waitrose. Tingly Sear grapes ripened to Spätlese level but cool, fine with wonderful purity of flavour. Early evening sipping? Hartenberg Riesling 95 £5.69 Wine Rack. An outstanding South African described somewhat prosaically on the label as "Unwooded Dry Spicy White". Domdechaut Werner Hochheimer Kirchenstuck 1995 £6.49. Majestic. Piercingly concentrated fruity acidity with a bedrock of minerals.

tina's scented grape speciality. Nicely chewy this one. Devil's Rock Pfalz Riesling 1994 £3.69 Sainsbury's, £3.75 Waitrose, Tesco. A successful attempt to impose Burgundian structure on to some of Germany's riper Riesling from the German company that owns Gynogyos winery in Hungary. Forster Pechstein Riesling Kabinett 1994 von Buhl £7.99 Thresher group. This wine has been hanging around for months and deserves to be put out of its misery. Very lively start with a powerful grapefruit splat underneath. A classic from the Pfalz which could be great with Oriental food. Hochheimer Holle Riesling Spätlese 1995 Kunstler £9.99 Oddbins. A long distance runner of great class that will be even more delicious in four or five years' time. Riesling Schoenenberg Grand Cru 1993 Doppf at Moulin £11.95. At 25 Sainsbury's. Wonderfully correct dry Alsace Riesling just starting to show some bottle age.

DRY WHITES OVER £5

Tokay Pinot Gris 1994 Ribbeville £5.49 Majestic. Lovely cool, Alsace perfume in this co-op wine which is a bit less concentrated but just as ready to drink as a more expensive version from Bott Geyl at £7.99. Spicy, racy, for drinking with powerful food. Villa Maria Private Bin 1996 Marlborough Sauvignon and Gisborne Chardonnay £5.99 Oddbins. Two keenly priced examples here of the lively 1996 vintage for New Zealand whites; definitely worth the 50p premium over Montana's offerings. Other leading chains will begin to stock them in the New Year. Santa Carolina Reserve Chardonnay Maipo 1995 £5.95 bigger Sainsbury's. Well balanced, restrained, dense Chilean. Marques de Coucha Chardonnay 1995 £5.95 bigger Sainsbury's. Another fine example of leesy, well-bal-

anced Chilean fruit. Lots of punch but no flab. What could France offer at this price? Try Sainsbury's oak aged Bourgogne Chardonnay 1994 from Laroche at £5.95 which is definitely Burgundian and, for my money, just a little overweight but it will certainly appeal to some tasters. Schoone Gevel Chardonnay 1995 La Motte £5.99 bigger Tesco. Barrel fermented Chardonnay character (lovely texture) bursting out all over the place. Another good vintage from South African winery La Motte. Kemblefield Hawkes Bay Chardonnay 1994 £5.99 Fullers. Keenly priced New Zealand, richer than most. Haute Provence Semillon 1996 £5.99 Oddbins. Delicious South African from a promising producer. Southland Chardonnay 1996 £5.99 Oddbins. Buttery, lively debut from the Copoolo winery, as one would expect from the Glen Corral backing. Undurraga Chardonnay Reserva 1995 £5.99 Majestic, Unwines. Intriguing, meaty notes. Some real interest here, a gold medal winner at the International Wine Challenge. Ironstone Semillon/Chardonnay 1996 £5.99 Majestic, bigger Tesco. Another very well-balanced vintage from Western Australia. Full throttle Semillon aroma with Chardonnay undertow. Saitram Mamre Brook Chardonnay 1995 £6.99 Waitrose. Pure Oz breadth and build with a nice lime twist. Samneil's Bay Sauvignon Blanc 1996 £6.99 Thresher group. Buy two and save £2 until Jan 1. Talented French

trained Australian (there's a novel twist) Adam Wynn somehow managed to find really zesty Sauvignon in the Barossa Valley. Penfolds Old Vine Semillon 1996 £6.99 Tesco. Very exciting Barossa fruit. (How old is old?) Delicate, gentle texture thanks to barrel fermentation and lovely flavours that manage to be both tangy and broad. Worth remembering that aged Semillon is Australia's forte; buy some for the future too. Haute Provence Chardonnay 1996 £6.99 Oddbins. Is this worth 1 more than the Semillon? Probably not, but its taut, savoury character justifies its premium over, say, the Sentinel version above. Very fine. Fritz Dutton Ranch Chardonnay 1994 £6.99 Oddbins. Treasure one last bargain from California. Kistler buys from this vineyard for Sancerre Les Bonnes Bouches 1994 Bourgeois £6.99 until next year (£8.99 usually) larger Safeways. Finesse from a fine producer. Sainsbury's Sancerre 1996 Fousasier £7.45. Penetrating, credible evidence of Sainsbury's faith in France. Basseaux Barossa Chardonnay 1995 £7.75 Fullers. Classic over-the-top Oz Chardonnay. Drink soon but soak up the welcome. Grand Ardèche Chardonnay

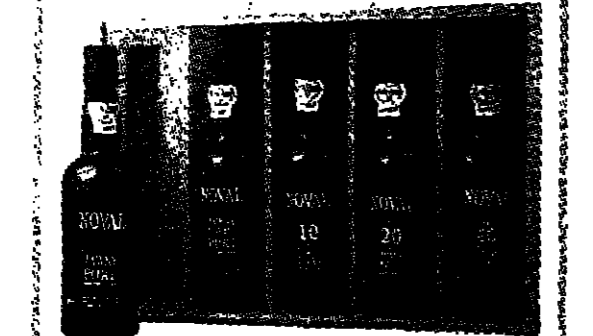
may 1995 Louis Latour £8.79 Majestic. The finest result to date of this Burgundian's Big Adventure in the western wilds of the Rhône Valley. Vergélegen Reserve Chardonnay 1995 £8.99 Oddbins and Sainsbury. Dramatically labelled and dramatically styled. For drinking over the next year or two. St Pery 1995 Bernard Gripa £8.99 Majestic. Life is full of surprises and this substantial Rhône offering is one: for once, real substance rather than sheer tonnage. Smudgy, soft flavours could stand up to all sorts of foods. St Veran, Les Terres Noires, Dom des Deux Roches 1995 £8.99 Thresher group. Very successful new vintage of an old favourite. All the appeal of accessible white burgundy. Jackson Estate Chardonnay 1995 about £9 from Adams of Southwell and Grange Leasom shops. More Burgundian build than most. Kivi whites. Lively and good depth. Chablis Premier Cru Beauregard 1994 £9.55 Waitrose. Very correct, to be served quite cool. Isabel Estate Sauvignon Blanc 1996 Marlborough £9.90 Morris & Verdin of London SE1. A nice counterpoint to the famous Cloudy Bay NZ Sauvignon with a French accent. Savennières Ch de Pierre Bise, Clos de la Containe 1994 £9.95 Lea & Sandeman of London SW10, W8 and SW13. A Loire classic that tastes dry, featherlight yet steely and, unusually, is already charming but should develop beautifully for many years. Calera Chardonnay 1994 Central Coast £9.99 Majestic. Like Oddbins, Majestic takes a keen interest in California and this provides a quirky, chunky mouthful for the dinner table. Marsannay Les Etales 1994 Alain Gayard £11.95 Harvey Nichols of London SW1 and Pont de la Tour of London SE1. Chewy texture, licorice perfumes. Not a lot of finesse in this white burgundy but a wonderfully echt antidote to New World Chardonnay. Macon Classé 1992 Jean Thévenet Lea & Sandeman (see above) £13.95. Extrordinarily ripe perfume and yet, miraculously, enough lively acidity to counterbalance all that bold fruit. Here is a superior wine for spicy food made by the Mâconnais magician. Those looking for a rather racier white burgundy could try the Rully Premier Cru La Pucelle 1994 at the same price. Puligny Montrachet Premier Cru 1993 "Jean Pascal" £18.95 in just six Sainsbury stores. Very respectable white burgundy from a low fat vintage. Pouilly Fuissé Hors Classe 1993 Ferret £19.99 Oddbins. Absolutely stunning example though not, alas, under-priced. Condrieu 1994 Chapoutier £23.50 Ferry Bros & Rudd of London SW7, La Vigneronne of London SW7 and Benetts of Clipping Campden. Full, juicy, honeyed. Powerful. Drink now. Meursault Poruzot Dessus 1992 Charles de Rémil Jobard £27.50 Lea & Sandeman (see above). Classic smoky-oaky stuff. Very creamy texture. Corton Charlemagne 1993 Gaston Ravaut 27 Gelson Cottage (0171 821-6841 or 01556-503012) Good value even at a high price. Quite taut. For a really special bottle or two you could do much worse than put yourself in the well-padded hands of Reid Wines (01761-453645) which can offer a wide array of young and old but pretty much all fine wine.

SWEET

Some real stars here. Buy now for next year and the year after. Mick Morris Liqueur Muscat £4.99 a half from Majestic and Sainsbury. Bit obvious but good value tooth-rot. Continued on Page XV



A BOXED SET OF 5 GREAT CLASSIC NOVALS FOR CHRISTMAS.



WHAT BETTER PRESENT than a voyage of discovery around the auburn pleasures of tawny? Matured in oak longer than vintage or LBV port, here is a compact world of astonishing mellowness, untold richness, and (quite possibly) unabridged romance. Noval's classic selections are available from most good wine merchants. Masterworks of Viticulture since 1715.

AROMATIC WHITES These wines have been segregated to minimise suffering for those who choose to deny themselves the pleasures of wines with pong and/or a little sweetness. Eagle Mountain Irsai Oliver 1995 Neszmelyi £2.99 Fullers only. Irsai Oliver is a newish grape which can be just too grapey by half. This has good substance and spice but masses of acid. Like grapefruit juice. Safeway Australian Dry White 1996 £3.49. Every car has been taken to hide the fact that this off dry wine with real spine and limey peazz is made from the finest white grape in the world. Torrontes Jacques Lurton 1995 £3.59 Fullers. Argen-

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FOOD AND DRINK



Eye-level view: a judge at the 1990 international whisky championships. From James Darwin's 'The Illustrated History of Whisky' by Harold Starke Publishers

Whisky

Skye's beastie and a half

Giles MacDonogh samples a dram or two of Talisker, a great individualist

The Western Isles of Scotland are a funny place. You would have thought them awash with whisky but, as it transpires, illicit distilling has always been restricted to certain islands. Islay once had nine large distilleries, but that was truly exceptional. Jura and Mull have one apiece. Arran's distillery has only been born. For the rest there is just Talisker on Skye.

And Talisker came comparatively late. Dr Martin Martin, a native of Skye writing in 1695, attested to the islanders' fondness for "brandy", which led them to consume three times as much as southern Scots.

The first distillery on the island was founded more than 125 years later. In 1890 it moved to its present location in the hamlet of Carbost. It was owned

by the brothers MacAskill from Eigg but 50 years later it fell into the hands of the same Roderick Kemp who ran the Macallan distillery on Speyside. He built the few 19th century relics still recognisable, as well as the pier and tramway - the only railway lines which have existed on the island.

In 1925 Talisker became part of the DCL group, the ancestor of the present owners, United Distillers. A fire destroyed all but a few outbuildings in 1960, but the stills were renewed to the old design.

Mike Copland puts Skye's reluctant history of distilling down to the islanders themselves, who were wont to spout whisky with one breath while condemning the distillery as "the house of the devil" with the other. In 1843, for example, the Rev Roderick MacLeod, a member of one of the island's two

leading clans, denounced the "erection and establishment of a whisky distillery", saying that its influence on Skye was "one of the greatest curses that, in the ordinary course of Providence, could befall it or any other place".

Copland is the manager of Talisker, a man with whisky in his blood. He was born in the Inchgowrie Distillery in Banffshire, where his father was a cooper. He is not the strong and silent sort of distillery manager but a Highlander with a gift of the gab.

Talisker was originally distilled three times like a Lowland malt. The practice ceased in 1926, and this was possibly when the strange U-shaped by pipes were introduced at the back of the stills. These create the "reflux" action which is responsible for Talisker's intense flavour.

The result, says Copland, is a

"new-make" straight from the still has the intense smokiness of an over-loaded ash-tray, whereas a 20-year-old Talisker has fattened up and is so smooth and rich that the peatiness is only present as an aftertaste.

The clue to the whisky's mellowness lies in the old warehouses above the sea-loch, where the local lobsters grow fat and sweet on duff and pot-ale. The walls are covered in a thick duvet of mould with an occasional full-sized mushroom breaking through for good measure. A stream runs under the earth floor and in places the barrels are lying on mud.

Believe it or not, these are ideal conditions for ageing whisky and they contribute to making Talisker what it is - the great individualist.

Copland called it "a beastie and a half". It mellows quickly. The

Before the "Classic Six" bottling hit the market it was an eight-year-old, and notably more feisty. Copland called it "a beastie and a half". It mellows quickly. The

Appetisers

Shopping with a difference

Some people thrive on the buzz, jostle and crowds of high street Christmas shopping. Others prefer mail order shopping. This year there is an alternative, the National Trust option of using the shops sited in some of Britain's finest country house estates, with lunch or tea in their restaurants.

Most participating properties will be offering festive menus, not just turkey and the trimmings but (depending on location) such proven favourites as spiced onion tart, poached salmon, tangerine syllabub, Kingston Lacy trifle, and chocolate and hazelnut roulade.

Carol singing, children's games and stories and the chance to meet Father Christmas are scheduled at some venues. Just a few of the participating properties are: Anglesey Abbey in Cambridgeshire (tel: 01223-811175); Trillick near Truro (01208-74331); Erding in North Wales (01492-860123) and Kingston Lacy, Dorset (01202-889242).

For more information, contact your local National Trust regional office.

Philippa Davenport

chain Waitrose. Lemon thyme will, among other things, add savour to stuffings for goose and turkey; few aromatics are better than lovage when poaching hams and gammons.

Every kitchen drawer contains a wooden spoon or two. Few contain wooden forks, which I find far more useful. A pair are ideal for turning foods when sautéing or stir-frying, for lifting joints and Christmas birds without piercing the flesh, and for tossing salads. Basic kitchen forks are available at 80p each from David Mellor shops and mail order service. Tel: 0171-730 4259 or fax: 730 7240.

The Marquis, 121a Mount Street, W1 (0171-499 1236) is a welcome new opening. Small and intimate, with only 50 covers, its chefs combine a strong Italian emphasis with a predilection for game. Well-executed dishes included a warm potato salad with pancetta; wild mushroom soup with basil and perfectly roasted pheasant, grouse and wild duck at reasonable prices. The two-course set lunch menu is £14.50.

Michelin-starred Garry Hollhead's recent opening off Wigmore Street in London has come to an abrupt end with his departure. The restaurant is to retain the name Hollhead for the moment, with the former brigade under sous chef Christen Foulser. "Any further staff changes," says owner Tony Kitous, "will happen after Christmas." The menu structure, £4.50 for starters and desserts and £10.50 for mains, stays the same. Hollhead is to take over at Les Sauvains in Curzon Street. Hugo Arnold

Two central London restaurants, Brasserie St Quentin, SW3 (0171-581 3511) and Butlers Wharf Chop House, SE1 (0171-403 9403), will be open on Christmas day and Boxing day. The St Quentin is offering a full à la carte menu as well as an "Oysters to Go" service while the Butlers Wharf menu is £42.50 plus service.

Nicholas Lander

Not only foodies will enjoy the exhibition of *A Feast of Food in Art* at Llewellyn Alexander's Gallery, 124-126, The Cut, opposite Waterloo Station, SE1 (0171-620 1322). Works from 45 artists including Edna Bizon are on display at prices from £200. The exhibition goes on until January 4.

As regular readers will know, I favour lemon thyme over other varieties, and have something of a passion for lovage. After years of asking for - and lamenting their absence in English greengrocers and supermarkets - I am delighted to see that both have joined the range of fresh-picked herbs now on sale at UK supermarket

Dry, sweet, fortified and fizzy...

Continued from Page XIV

Tokay Aszu 5 puttonyos 50cl. £7.69 bigger Sainsbury's. Honey, lime and apricots in the keenly priced revival of Hungary's most famous wine.

The refreshing opposite of cloying.

Coteaux du Layon Chaumes Domaine des Forges 1995 £8.99 Fullers only. Fresh tingly nose, lots of sweetness, a Loire classic from a great vintage which could be enjoyed now or matured.

Ruster Ausbruch 1996 Feller-Artinger £13.50 a half from Lay & Wheeler of Colchester. A relative bargain from Austria. Marmelade and spice. Very full bodied (14 per cent alcohol).

Domaine de la Forêt, Tête de Cuvée 1990 £16.95 Waitrose. Why do Waitrose consistently offer the best Sauternes? This, from a highly successful vintage, is seriously grown up.

Ch. Citimens 1991 £28.50 top five Waitrose. The single sensational Sauternes in this

rainy vintage, thanks to early picking. Wonderfully smooth texture and already inviting.

Vouvray Le Haut Lieu 1990 Huet £28.50 top five Waitrose. A sign of the times that this, the first picking of nobly rotten grapes of a great but approachable vintage from a single vineyard of arguably the greatest Vouvray producer of all, Huet, is now available on the shelves of a supermarket, admittedly a very superior one. This is gorgeous.

It could be drunk now but we should really stash away some bottles for many a decade. Reid Wines on 01781-429445 have been listing the 1924 version as "quite brilliant".

Welchresling TBA Swischen den Seen 1996 Kracher £30 a half, Noel Young of Cambridge. A marvel of delicate balance and intensity.

FORTIFIED

Unfashionable but delicious. Hidalgo Manzaniña La

Ghana £5.99 Waitrose. Racy, lively, delicate dry sherry. Useful as palate sharpener - a cure for excess?

Sainsbury's Aged Amontillado £3.29 a half. Punchy, dry explosive more substantial sherry which could be served chilled.

Gonzalez Byass dry Apocotes and dessert Matusalem in halves £9.99, Tesco, Sainsbury, Waitrose. Top quality sherry, Matusalem lovely with cheese and nuts as well as Christmas pudding.

Blandy's five-year-old Sercial Madeira £10.99 Majestic. True madeira. Very pale, dry and correct. A sort of fino sherry specially made for Christmas day.

FIZZ

Lindauer Special Reserve £8.99 widely available. A new super fizz from Montana of New Zealand. Great packaging but that is not all. Real depth of flavour - and colour.

Crosier 1992 £10.99 Thresher group. Toasty, fully mature Australian. The

leaner, if Ivelier 1993 is hard on its heels.

Brossault £11.99 Fullers. Lean Chardonnay style of champagne but perfectly respectable and well balanced for the price.

Sainsbury's Vintage Blanc de Blancs 1990 £14.95. Some real depth from this great vintage. Lemony and appetising.

Chatagne-Tallat Champagne Brut Cuvée Six Annee £15.99 Safeway. Lively, full, complete.

Jean Louis Malard Champagne Grand Cru Ambouney £15.99 Thresher group. Lovely, open, easy-to-appreciate Pinot Noir-dominated champagne. Distinguished.

Billecart Salmon Cuvée Nicolas Francois Billecart 1989 £28.99 Oddbins. Very fine luxury champagne that has all the current appeal and potential of this great vintage and its successor. Orders of 15 or more bottles bring the price down to £22.99.

Note Nicolas' offer too.

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TAYLOR'S PORT

BOOKS

The Bard caught in time and place

A.C. Grayling finds Shakespeare at home in a woolly cardigan and away in South Africa

What connects the meditative quadrangles of All Souls College, Oxford, and theatrical scenes of such violence, hatred, evil and racial disharmony that, if they featured in a modern film or television drama, they would set all our new puritans howling? The answer, of course, is Shakespeare.

In this book Rowse gives his overview of Shakespeare's life and times. The result is an engaging and highly readable account of a robustly heterosexual lad from a small country town, who, ambitious to make money and set up as a gentleman, achieved his goal by good employment of his pleasant manners, business acuity and immense talent.

A few of them were homosexual (and thus had, Rowse tartly remarks, a "cock-eyed view of life"). Rowse colours his portrait by frank exercises of imagination; for example, Shakespeare was "deeply hurt" by Greene's "upstart crow" attack on him, and went to the printer of the attack, Henry Chettle, to complain; but so charmingly that Chettle wrote in remedy, "myself have seen [Shakespeare's] demesour no less civil than he excellent in the quality he professes."

Yet Rowse's account is so faithful to such facts as there are, and so well anchored in knowledge of the period and its ways, that it carries a high degree of probability. It is altogether likely that this man - whose ebullient genius overflows in the plays as if he were not one man but an army of men and women, each of whom had lived previous existences as, for example, infantry-

men or Queens of Egypt or murderers or transvestites (of both whom there are so many in the plays!) - this man, I say, might well have preferred quiet evenings at home in a woolly cardigan. And that is where Rowse puts him.

The same cannot be said for any of the characters in *Titus Andronicus*. The play is an early work which the scholars say has the hand of Shakespeare's contemporary George Peele in the first act. It oozes blood when it is not gushing it. It features multiple murder, with bodies thrown into pits; a young girl's rapists cut off her tongue and hands so that she cannot identify them; Aaron the Moor, forerunner of

ment made was that Shakespeare's *Titus* had found its time and place: for although it is a deeply flawed play, it unflinchingly interprets aspects of human experience that history refuses to hide. Sher and Doran give, in diary form, alternating accounts of the project's progress - and of their own personal progressions, as actor and director respectively. They take us from the beginnings, through rehearsals, to performance in South Africa and Britain. Those who saw it can vouch for the terrible power it acquires by its restatement among South African accents and resonances. There were mixed reviews in South Africa; in Britain it won awards. Sher and Doran give an absorbing and revealing account of theatre - and Shakespeare - from the inside; and of how art and life imbue one another with meanings.

MY VIEW OF SHAKESPEARE
by A.L. Rowse
Duckworth £16.99, 151 pages

WOZO SHAKESPEARE
by Anthony Sher and Gregory Doran
Methuen £16.99, 302 pages

In pursuit of the body beautiful

Michael Church enjoys a fruitful marriage of Darwin's theory of evolution to art history

In *The Descent of Man* Charles Darwin noted a West African tribe called the Jollofs, who were "remarkable for their uniformly fine appearance". He decided this was a long-term result of the systematic weeding-out and selling of their uglier slaves.

Like John Berger before him, he pursues his argument by juxtaposing images. He puts the Capitoline Venus next to Gainsborough's "The Honourable Mrs Graham" next to a Bronze Age Cypriot goddess next to a D-cup superstar, and a point is instantly made: with one hand fondling a breast, and the other lingering suggestively in the genital area,

these ladies are playing identical games. He juxtaposes an ancient statue of Priapos snatching his penis, and a Renaissance Christ sporting a thinly-veiled erection. Bernini's St Teresa - swooning in religious ecstasy - is shown to be virtually indistinguishable, in expression and attitude, from Correggio's Venus, who is being seductively laid bare by a satyr.

If the poses are a historical constant, so - to an extraordinary degree - are the bodies themselves. In this realm Hersey traces an unbroken line, starting with the visions of the fifth-century Greek sculptor Polykleitos, continuing through those of Michelangelo, Dürer, and the preposterous Lord Leighton, then getting hijacked by Hitler. But as Hersey shows, the Nazis added nothing new; they simply appropriated a racial science whose ideology derived from Victorian England, but whose roots lay in the perennial assumption that physical beauty - expressed in terms of mathematical symmetry -

reflected beauty of soul. But it was the evil corollary to this which fuelled Hitler's fire. The Great Fear: the assumption by a criminologist like Cesare Lombroso, for example, that moral turpitude could be deduced from big jaws, long arms, and jug-handle ears, and that Europe could be swamped by the interbreeding of such monsters. We had to be saved from this fate, by the master-race hymned by Wagner and Nietzsche.

But this book is neither a political rant, nor a prophesy of artistic doom. Hersey is ferociously clever, but he writes with sunny wit: he positively enjoys the madness of his degeneracy-hunters and purty-fanatics and he loves teasing out etymologies. I had not realised that "muscle" came from the Latin for "little mouse"; appropriate, when you consider the little mice scurrying under a body-builder's skin. And I am glad to know more about the *mitra*. In Homeric times, this word denoted a studded groin guard, but it was also the Persian name for Aphrodite, mistress of the gods Phallos and Priapos, and herself formed out of Uranus's giant penis. Then the *mitra* found its way on to a bishop's head...



A hybrid of 18th century powdered wig and dreadlocks, worn on the catwalks of Karl Lagerfeld's 1994 fashion show, featured in Mary Trasko's 'Daring Do's' (Flammarion, £22), which looks at the history of hair as erotic symbol and social indicator in western culture

Tales from the Indian Ocean

J.D.F. Jones on a literary triumph of navigation

The Waqwaqs, the Land of the Zanj, the 12-mast, four-deck medieval Chinese junk, Prester John, the three-year siege of Fort Jesus, and so very much more: Richard Hall has surely bitten off more than anyone can chew in attempting a history of the Indian Ocean. *Empires of the Monsoon* is bound to fail, if only because the subject is impossibly wide. But his long and fascinating book manages to become an example of popular history at its best.

Hall is a journalist who is also a respected and successful historian of 19th-century Africa. It is therefore not surprising to find that this book's emphasis lies on the African shores of the ocean, and often far inland. But how to define the "Ocean"? We don't go east of Indonesia (and it's pretty thin even there), and India, Ceylon, Mauritius, Madagascar, are covered in nothing like the detail of Portuguese empire in East Africa.

That is not a complaint. *Empires of the Monsoon* is the story of many marvels and many great adventures. The incidental detail is wonderful: Charlemagne became enamoured of a pet elephant, Abu al-Abbas, sent to him from the Sushan in 802; the sultan of Malindi dispatched a graffe to Peking in 1414; there was a European boom in cinnamon in the 1650s because it was thought to clear wind from the bowels; the merchant ships of the Indian Ocean all carried a seraglio of courtesans for the pleasure of the officers - that sort of thing.

There is of course a more serious story. Behind all these dramas of Portuguese, Dutch, French, British and Omani arrival and manoeuvre, there lie the imperatives of the seasonal monsoon, which used to be calculated almost to the day. The revolution eventually arrived with steam, when the P. & O. could guarantee Suez to Calcutta in precisely 523 hours; "the sole concession to the monsoon was the adding of 120 hours to the return voyage in May, June and July..."

Before that, Hall starts with the mysterious and ancient Waqwaqs of Indonesia who, somehow, sailed 3,500 miles to Madagascar and brought to Africa rice, bananas, yams, sugar, breadfruit, mangoes, not to mention the xylophone. He proceeds to the Muslim expansion from south-east Arabia to east Africa and to the achievements of the two greatest travellers of pre-

modern times, Marco Polo and Ibn Battuta (who surely emerges as the star of the book). From then on the story becomes one of the "indolence, despair and moral decay" of the Portuguese empire, hopelessly over-extended after its first inspired triumphs of navigation. After Venice and Portugal, there followed the Dutch, the French, the British; it is a saga of killing, atrocity, destruction. After 1800 the Ocean became, though not without contest, a British preserve.

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In Chris Pettit's novel *The Psalm Killer* tells even a fraction of the truth about covert British involvement in Northern Ireland, then it is a very scary book indeed. Even if it is pure fiction, it is still pretty terrifying.

Pettit's book is part serial-killer thriller, part paranoia-inducing conspiracy theory, almost casually he also gives the reader a good grounding in the recent history of the forces supposedly opposed, but often in secret collusion, in this fraught conflict. Even if the concentric strands of this ambitious novel fall finally to coalesce, it remains a hugely impressive and highly readable work.

Thrillers/Nick Curtis Battered in Belfast

Admittedly, Pettit's research can overwhelm his story, since the incidental detail and peripheral character are sometimes more compelling than the motives of his protagonists. The denouement, although devastating in its chillingly imaginative scope, seems hurried after all the painstaking, page-turning detail that has gone before.

THE PSALM KILLER
by Chris Pettit
Macmillan £16.99, 530 pages

INHERITANCE
by Keith Baker
Headline £16.99, 280 pages

thriller which approaches the Northern Ireland conflict with the intelligence it deserves.
The same cannot be said for Keith Baker's *Inheritance*, which touches on similar territory in a far less bold and convincing way. Baker sidesteps the current fluctuating state of the peace process by setting his story of vengeful murder 20 years in Ireland's future.
The Troubles have been ended long ago, with unlikely simplicity, by a series of assassinations, when young ex-soldier Jack McCallan returns to Ulster to inherit his late father's estate, along with a few uncomfortable and politically embarrassing home truths. Not only does Baker's story have the self-conscious stiffness of all books set in the near future, it also grossly simplifies the Northern Ireland conflict, using it as a little more than a cheap flame for a boisterous fast-paced adventure yarn.
McCallan is a classic innocent in the Richard Hannay mould, stumbling across murders and conspiracies the way most of us trip over paving stones. *Inheritance* is a nice, easy read, but it is unlikely to give anyone any sleepless nights.

1996
Bourne titles
Anthony Sayer
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ARTS

Tiny Tim is dead - not the real one, Dickens' immortal creation, but the phoney one, the American fiddlehead who had us all tiptoeing through the tulips in 1968.

A tiptoe through the novelty songs

The subtle power of nonsense will not die with Tiny Tim, writes Antony Thorncroft

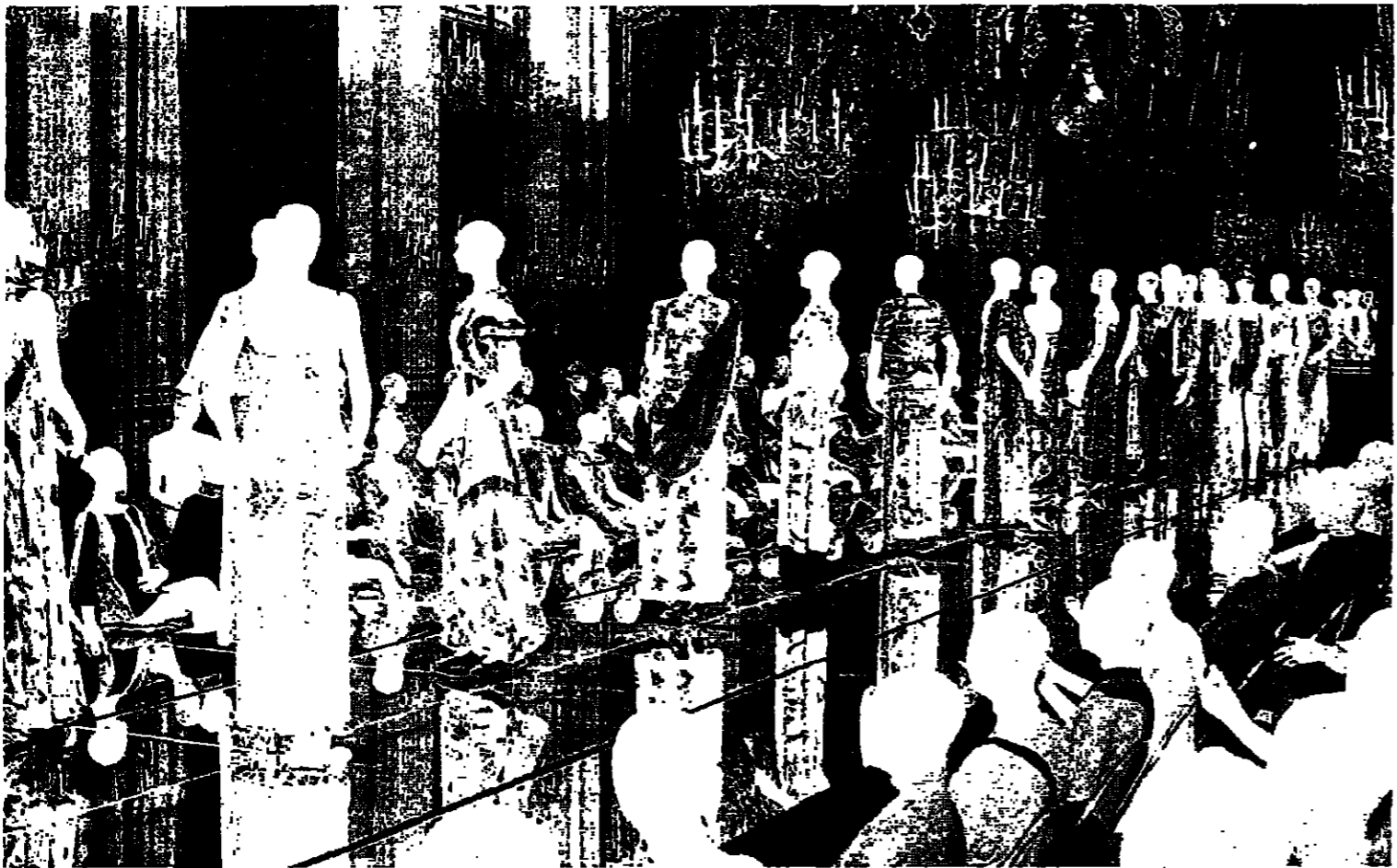
Tricky to decide whether popular favourites like "I'm Enry the Eighth I am, I am" and "I'm Gilbert the Filbert, the knut with the K", are novelty numbers or the pure gold of the genre.

"Let's do it", and Noel Coward's "Mad dogs and Englishmen", are 20th-century classics. But these are exceptions: the main characteristic of a novelty song is that, after the first mild glimmer of surprise, it is irredeemably awful.

Christmas. This year you can buy the Three Fivers - Jimmy Tarbuck, Bruce Forsyth and Kenny Lynch, doing silly things to "Winter Wonderland" and to the Three Tenors.

The popularity of nonsense songs in those more innocent eras is obvious: they are sing-along numbers when communal singing was a favourite form of entertainment.

power: it seeps into our bones against our better judgment. Most novelty numbers now make you cringe: at one time you probably sang along with gusto.



One of the more successful contributions: Emilio Pucci's installation, which recreates a 1960s catwalk show in the same beautiful room in which it was first held

Culture all dressed up

Lynn MacRitchie finds Florence in the throes of making a fashionable statement

Michelangelo's David is flanked by swirling autumn leaves (Merz and Sander). While the idea is intriguing, none of the pieces quite come off.

Back at the railway station, while the work of some of the selected artists such as Kiki Smith or Tony Oursler looks a little tired, some of the designers have taken the opportunity to make surprisingly successful installations.

She is equalled in Florence only by the city's own Emilio Pucci. The work of this Florentine marquis, playboy, skiing champion and designer is celebrated in a wonderful installation in the Pitti Palace, which recreates, in the same, beautiful, crystal chandelier room in which it was first held, a Pucci catwalk show of the 1960s.

reached the garden scene in Act 3, the music-making has reached a pitch of dramatic intensity that makes one's spine tingle.

Record Review/Richard Fairman Arias for every eventuality

The picture of musical research taking place in the dusty corner of some university library has become out-of-date. These days it is commercial pressure as much as any academic need that is driving scholars and performing musicians to look ever deeper into the legacy of musical history.

definitive. All the music Verdi wrote for the opera is worth hearing, so what to do? This new set gives us the five-act opera in French and postulates its own version, assembled in such a way as to incorporate as much of the music that is not usually heard as possible.

Rossini: Tancredi. Munich Radio Orchestra, c. Roberto Abbado, RCA Victor Red Seal 09026 68942-2 (3 CDs)

Verdi: Don Carlos. Orchestra du Paris, c. Antonio Pappano, EMI CDS 556152-2 (3 CDs)

Mozart: Cosi fan tutte. Orchestra of the Age of Enlightenment, c. Simon Rattle, EMI CDS 556170-2 (3 CDs)

It is a live performance in every sense. Alongside the respected Mozart conductors of previous generations, Rattle certainly works the music hard, taking the tempos to the extremes of fast and slow, to a degree which some people may find exaggerated.

He has a good, though not exceptional, cast. As in some other recent period-instrument Mozart opera sets, the singers here can seem lacking in personality.

After quite a few years working with the Orchestra of the Age of Enlightenment, Simon Rattle has taken the

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Theatre/Ian Shuttleworth
Panto for parents
It may seem daft at this time of the year to send a professionally bah-humbing adult to review any children's show. In fact, any production worth its salt will, in that awful phrase, "speak to the child in all of us"; and if not, well, one can always watch the audience response. So the numerous children at the press performance of Pinocchio began by applauding musical numbers peltedly, but the inevitable giggling, coughing and whispering began (I timed it) within some 10 minutes of the opening curtain.

able by children: they are accompanied by occasionally wonderful staging (not even in a Lewis Carroll show will you see a pair of crustaceans samba-ing), but are received tolerantly rather than enthusiastically by youngsters. Neil Warhurst is (of course) a mischievous Pinocchio, though not an especially compelling one; Cal McCrystal makes a lovable Gepetto and Nicky Adams an unusually robust Blue Fairy (briskly advising the wooden lad at one point to "Get a Life!"); Ruari Murchison's design includes a number of neat touches, including a magnificent whale shark.

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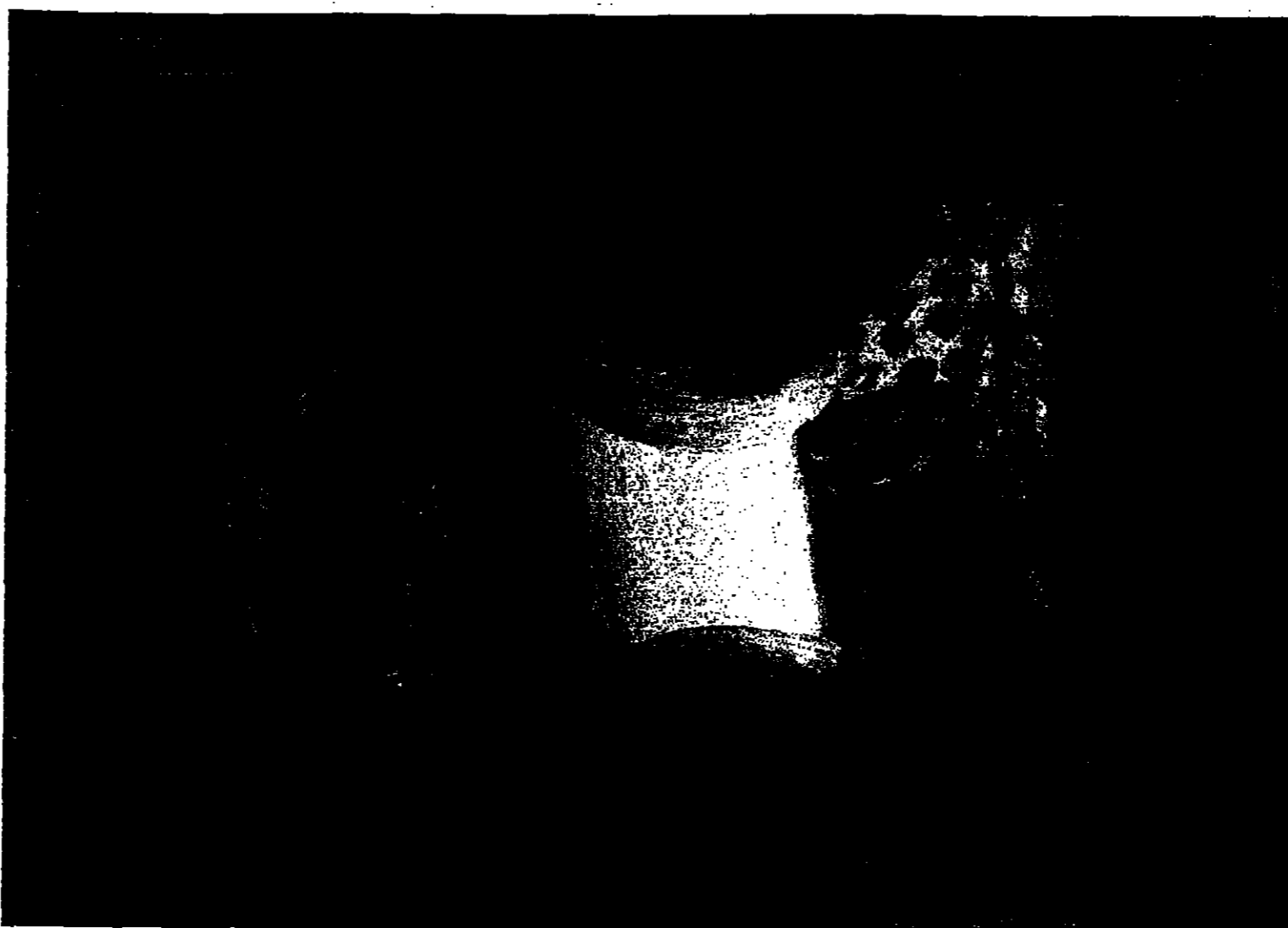
ARTS

Howard Hodgkin, at 64, is a British contemporary painter of singular character - and an abstract painter at that - who has long enjoyed the regard of his peers and the deference of an informed public.

Hardly known before to a more general public, let alone abroad, he has prospered remarkably in his reputation since representing the UK at Venice in 1984.

Little of Hodgkin's work survives from before 1980 and this show covers work only of the past 20 years, set out in a loose reverse chronology.

As painting, the work is often awkward, pawky, even ham-fisted. Here is no subtle, painterly modulation of the surface but a great sweep of a fat and loaded house-painter's brush overlaying the one before, and the one before that.



Oblique, mysterious and infinitely beautiful: 'Images of Max', 1995 by Howard Hodgkin

Loaded brushstrokes

Let Hodgkin's paintings do the talking, advises William Packer

philosopher painter of his public utterances and attitudes, sits upon such an oeuvre.

Are these the paintings of a clever man painting the paintings that a clever man of his generation knows to be the sort of paintings a clever man should be painting, or at least would wish to paint? Perhaps. They are very knowing, mannered, controlled. There would seem to be a tension between the natural, instinctive painter who can hardly help but make a lovely, persuasive mark, and the self-conscious artist, making Art. These paintings are

very seductive and ultimately convincing. And they are beautiful.

Hodgkin will not be pleased at that, inescapable though it is. "How irritating it is", he writes in a letter to John Elderfield, "to be constantly told that my pictures are beautiful; this either suggests that they have no meaning and are therefore failures, or that no one cares whether they mean anything or not, or that if they look pretty they cannot have any content."

No it doesn't. It simply means that whatever else they are or do, they are also beautiful. "Also, particularly in England, a feeling exists that the use of colour as a pictorial device suggests a fundamental lack of seriousness; also that the overt emotions and feelings expressed in painting are in some way elitist." This is self-pitying, self-serving nonsense. There are times when Sir Howard's endless searching after intellectual respectability becomes tiresome. The paintings themselves, oblique and mysterious though they are, are infinitely more eloquent on his

behalf. What, after all, is wrong with being a painter, and rather a good one. If that is what you are?

The paintings are as rich in association as they are in colour. "Talking about Art"; "Waking up in Naples"; "It can't be True"; "When did we go to Morocco"; "Sad Flowers" - and we look into the veils and swathes of paint for clues, picking up perhaps a hint of an arch or bush, column or tree, a hill in the distance or the back of a head. Are these landscapes, still lifes, conversation pieces, abstract paintings? It hardly matters. Always there is the point

on the surface, and the flick and drag of hand and brush, to bring us back to the sensation of the surface, to what colour is as colour, paint as paint, painting painting. The pictorial space is shallow, essentially theatrical, almost always defined by the proscenium arch or window through which we peer to see the world afresh. Formulaic? Of course it is formulaic, but with an infinite capacity for intuitive variation and personal response.

These are, damn it, beautiful things, true celebrations of painting itself, in a time when true painting is at a premium, and something to celebrate. And we haven't mentioned Matisse once.

Radio/Martin Hoyle

Dangerous good deeds

It's official. What we suspected now bears the imprimatur of academic research. The weekend is a danger spot for depressives, with Sunday an emotional Bermuda Triangle where the sensitive founder and are swallowed up.

Well, Radio 3 listeners doubtless are. That channel's good deed last sabbath was the world premiere of *Intimations for Saxophone* by Sophie Treadwell, the American playwright whose *Machinal* has been successful at that little London outpost of transatlantic culture, the National Theatre.

Though written over 60 years ago, *Intimations* has remained unproduced, a fact that should have told Radio 3 something.

The play deals with a New York socialite weary of the "vulgar empty world" of the rich. I never cease to marvel at how fulfilled the Sun-reading, rottweiler-owning, tracksuit-bottom wearing poor must be by implication (the playwright was not badly off, need one add, though she left her estate to American Indians, presumably hoping to bring some empty vulgarity into their lives). Our heroine, played by Fiona Shaw, is listlessly diverted by the attentions of a cabaret performer who expresses attraction by shyly throwing knives at the punters catching his eye. Kate Rowland's production of this interminable parade of caricatures from an Expressionist comic strip manqué, underlined by dirge-like arabesques on the sax, sent me whimpering to Classic FM where, it being Sunday, I had the fortune to hit on *Howard's Week*.

Margaret Howard, an irremediable loss to the BBC, was dealing with garden suburbs and new towns, "one of the best British ideas of the 20th-century," according to Peter Hall (the town planning expert, not the theatre director). She also caused John Gummer - at whom I would not be surprised to hear knives are often thrown, though possibly not as a play of sexual allurements - to do the vocal equivalent of jumping up and down in agitation as she

politely asked about inner-city deprivation. She was told she was out of date and ill-informed. Inner cities are no end improved, averred the soup-ladling - or hamburger-donating - incarnation of Lady Bountiful. Later that evening the news informed us that the average age of those who die while homeless had gone down: to 42. At this rate our juvenile crime problems will be solved in the most terminal and irreversible way possible. Keep taking the hamburgers and trusting to the unexpected Gummer sense of Swifitian humour.

As ever, nostalgia can be relied on. *Howfabgroovy*, Radio 2's new quiz on the 1950s, '60s and '70s, had me digging the names of forgotten pop groups from my Radio 3-curled brain. As yet not quite sure of its identity the series got off to a jolly start though Toyah Wilcox sounds cautious, like a grown-up at a children's party.

is the excellent Derek Cooper's *My Granny's Larder* meant to be nostalgic? I wonder how many closet users of Bird's custard powder there still are. This hymn to the unexpectedly British contribution to the development of convenience foods provides a fascinating slice of social history, including sidelights on advertising: Thomas Lipton filled the streets of Glasgow with thin men labelled as "going to Lipton's" and stout men coming happily away. Scott of the Antarctic found time to write an endorsement of custard powder from the frozen wastes (sponsorship is not new).

Another new series, *Points of Reference*, has begun beautifully: a radio natural, the four programmes are devoted to the point of the compass, starting with the idea of the north - what it means to us geographically, poetically, emotionally; Yorkshire or the Arctic; Scotland or Isobars on a weather map. A wide range of voices, a kaleidoscope of impressions. And not a moody saxophone within earshot. Thank you, producer Susan Roberts.

The answer to the eternal question "Why are we here?" may at last be emerging. We are here to build and service God's master race: computers. Those who have been watching *Cyberspace* on ITV on Sunday evenings (last episode tomorrow at 10.50) will have mused upon the fact that, way back in the mists of time a survey was organised to see how many computers the world would need, and concluded that the answer was six. We then got used to the idea of every company having its own computer,

but they were still nothing much more than big number crunchers. More recently they evolved into typewriters with filing systems attached, and we began to use them at home.

It is really from that point that *Cyberspace* began, looking at the leading edge of the business - or rather the leading edges in cinema,

music, art, video games, virtual reality, and the Internet - and trying to decide where this continually accelerating revolution might take us. To their credit, producers Mick Csaky and Erihan Arora have built in a sort of cold shower system to cool us down whenever the techno-evangelists show signs of whipping the enthusiasm up to fever pitch.

Someone (usually American author Mark Slouka) comes on to ask whether a virtually permanent escape into an unreal world is the healthiest thing for our children: whether we really want weapons systems that select their own targets, even if it does mean that human soldiers will no longer have to die in wars, and so on.

There is, obviously, an enormous problem when trying to convey to the uninitiated the wonders of state-of-the-art computer technology via programmes like these: the flat, two-dimensional television screen is a hopelessly inadequate means of illustrating such complexities. Given such difficulties, the producers of *Cyberspace* have done a remarkably good job.

True, there have been moments when they lost me: I still do not understand how the cartoon figure was induced to jump up and down when his creator raised his arms, nor is it clear how the television camera was able to show the two of them together, unless the toon was a three-

dimensional model specially made for the studio, which would seem to nullify the whole thing.

Most of the time, however, they succeeded in conveying to this viewer/user (whose only experience of video games has been "Chucky Egg" on his son's BBC Acorn in 1981, and who has never donned a data glove or a VR helmet) a pretty vivid idea of what the high priests of electro-culture are getting so excited about. There is still a powerful feeling of unease and distrust, as there used to be when acid-heads tried to turn you on to LSD in the 1960s, but also the same temptation to try.

The television representation of "flying" under water in virtual reality is neither more nor less exciting than the famous and seminal "stargate" sequence in Kubrick's *2001*, created 29 years ago and described, fairly enough, by its creator in the opening episode of *Cyberspace* as the beginning of "the immersive experience". Yet watching the representations in this series and projecting via your own experiences of dreaming, it is possible to guess at the advances made by VR.

Surely resistance to this revolutionary cybereculture is nothing more than technophobia and obscurantism. In tomorrow's programme it is admitted that what is selling cyberspace is - surprise, surprise - sex. But what could be better than teledildonic:

safe sex of any description with anyone you care to imagine whenever you like for as long as you want? According to this series the first direct interface between the human nervous system and the silicon chip has already been developed. Soon we shall be able to plug our computers straight into ourselves... or vice versa. Hence the answer to the eternal question.

What could be better than a tool capable of providing not only an infinite array of facts and calculations but also an unlimited universe of experiences, feeding direct into the human brain? The odd thing is that there is a tool which already does all that and more and, unlike computers, is lightweight and user friendly: the book.

If only books had been invented after computers the real sophistication and superiority of print would be obvious: no electrodes, screens, gloves or helmets, not even any need for electricity, so you can stuff it in your pocket, take it with you to the ends of the earth and use it there. But with the computer, as *Cyberspace* shows, well on the way to becoming dead it is going to be an uphill job to persuade people that the paperback is a better bet.

Howard Hodgkin - paintings: Hayward Gallery, South Bank SE1, until February 23.

Television/Christopher Dunkley

On line to God

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COLLECTING

A strong but crowded market

The sale of an 18th century French silver tureen is the telling sign of art's recovery, says Paul Jeromack

New York may now be the centre of the art market, yet its machinations, successes and failures are given little space in the city's two leading newspapers, the New York Times and The Wall Street Journal.

too surprised at the above prices. Questions of quality or freshness aside, these are all instantly recognisable works (and in the case of the Degas and Monets, undisputed masterpieces) that proclaim their importance at 100ft.

It is easy to see why this is the case - of all the applied arts, they have an unrivalled popularity and routinely command many millions of dollars.

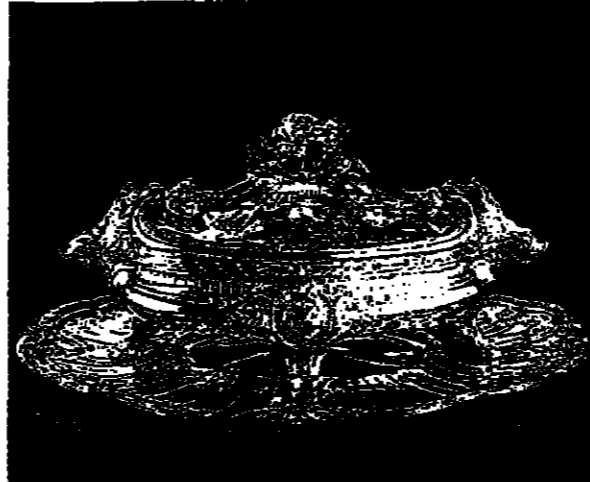
In fact, the test of the real strength of the art market lay not with the Impressionist or Modern art on offer, but with the sale of an extraordinary 18th century French silver tureen and stand by Thomas Germain at Sotheby's on November 13.

And so it is. The American economy is slowly on the up, people feel more confident about the future and have a greater disposable income than a few years ago.

What is now an almost routine sum for a good Impressionist work is still unprecedented for a piece of silver, no matter how important.

The market has recovered, and we can all presumably breathe easier. Although the Impressionist and Modern sales are usually taken as the bellweather for the health of the overall market, one should perhaps not be

ingly had no interest in the tureen, having decided to suspend any further purchases of French decorative arts, and the estimate put it beyond the hopes of the Metropolitan or Victoria and Albert museums.



The real test: the silver tureen that sold for \$10,287,500.

Some enterprising dealers have eschewed the cold grandness of such places as the former Colnaghis, instead emphasising the "nice-price" concept of Manhattan's department stores during the holiday season.

But these days, if any work of art is truly extraordinary, bidders will be found regardless of estimate, and two private collectors, one bidding by phone, the other represented by London dealer S.J. Phillips, were sufficiently taken with the tureen to push the price to a record \$10,287,500, won by the phone bidder, Titus Kendeell.

And what of the private dealer? Overwhelmed by the prowess of the auction houses and Manhattan rents

and overhead costs, for them the art market recovery is a slow process: "Off the street" sales and impulse buying are non-existent, and several dealers have either scaled back their premises (Dieder-Aaron) or closed shop entirely (Colnaghi). The local press is rarely of help to the private dealer.

The Haughtons are only

New York and abroad, solace is found in numbers at one of the dozens of well-managed art fairs that have proved a viable alternative to the auction houses.

According to veteran show promoter Sanford Smith, art fairs may be falling victim to their own popularity.

The future of art fairs, according to Smith, is in "smaller, specialty art fairs, which may have a smaller gate but a more intense, serious group of dealers."

Among Smith's shows of this type are Modernism (art and Antiques from 1880-1930), the New York Print Fair, the Outsider Art Fair (self-taught and naive artists) and the first fair devoted to African-American artists and artifacts.

Whether art fairs are the future for the private dealer or not, one thing remains a constant, according to Green: "The market's not all that different today than it was 35 years ago. Pictures were as difficult to sell then as they are today."

the latest arrivals in what is an increasingly competitive field - especially so as most dealers want to show in Manhattan, and the most popular venue, the Park Avenue Armory, is booked up years in advance.

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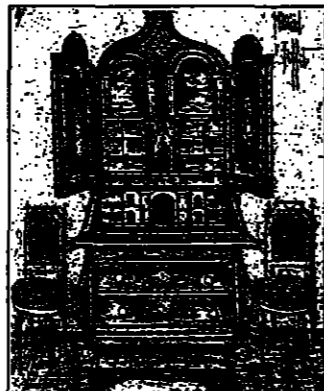
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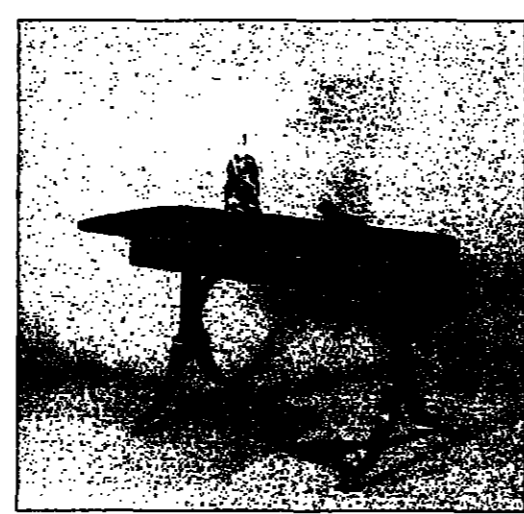
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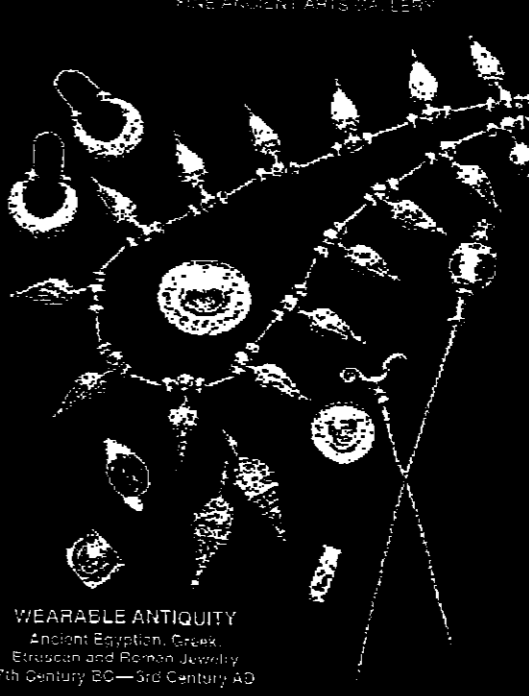
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James Morgan

Why can't the British play the game?

Most of Britain's troubles with its partners stem from a failure to work the system

The headline in *Der Standard* of Vienna set one thinking. "Cheap petrol lures Austrians abroad", it said. They were, it seems, buying more than \$500m-worth of the stuff every year in Slovenia and Hungary. Once these buyers cross the border they stack up on cigarettes and other goods which nearly doubles the loss to the Austrian retail system.

Europe is full of such little events which admirably confirm Adam Smith's thesis regarding the hidden hand. Hidden hands at Dover drive vans on to cross-Channel ferries to buy fuzzy Alsatian beer.

Others go to the petrol stations which now indicate that one has

been cut sharply. And British industrialists have found that the playing field tilts sharply in their favour thanks to low social charges and currency depreciation.

Today, any attempt by Brussels to level things up is seen as gross interference in the domestic affairs of a sovereign nation. Sovereignty means that a British employer can tell his workers how long they should work and ensures there is no minimum to the wages he may pay them.

In the face of such advantages it is not surprising that the boot is on the other foot now that the goal posts have been moved across the playing field.

The continentals complain of

overspending on social welfare or new weaponry is ludicrous. The British should accept all those dismal rules designed to make Europe uniform. They should then follow what might be termed the Flushing Solution. Fishermen from the Dutch port of Vlissingen, or Flushing, regularly catch too many fish. They are fined once their catch is sold. Three weeks later they appeal and the fines are revoked.

Why cannot the British interpret the rules in such a manner as to ensure that Europe remains the diverse grouping of free and independent states that we know and love, or hate, today?

James Morgan is BBC World Service economics correspondent.

Peter Aspden Water on the brain



Nine-tenths of the British population spends its spare time in my local swimming pool to keep fit. I sat and watched them once from the side of the pool, having spontaneously decided that life was too short to join their absurd puffing and slurring, and a sorry sight it was.

The saddest thing was that no one was doing the one stroke that really makes an art of swimming. I am not referring to the breaststroke, that pathetic little paddle which burns up about as many calories as changing gear in a traffic jam; nor the backstroke, a silly affectation that demands double-jointed shoulders and an improbably secure sense of direction.

Nor even the crawl, that inelegant movement which forces bizarre asymmetric jerks of the head out of the water to take in air. There is only one stroke which combines power, speed, grace, athleticism and - unless you are its master - regular mouthfuls of chlorine: the poetically named, exquisitely refined, bystander-impressing butterfly.

The butterfly is the Ferrari Testarossa of swimming strokes. If it had a colour, it would be bright red. It makes no apologies for itself. It is powerful, aggressive, shamelessly ostentatious. I had attempted in the summer to try it out, late in the evening on a remote beach with nobody looking. But it is not a thing you "just try out".

The smooth double kick on each stroke; the violent windmill action of the arms; the graceful

I began to 'put the stroke together' - the kick, the whirling arms, the breathing

emergence of the head from the water, creating a sinuous movement that puts you at one with the dolphin kingdom: these are not the stuff of casual experimentation. My first efforts put me at one with the urchins on the sea bed; subsequent attempts filled my nose, mouth, throat, lungs with water.

I came back from my summer holiday determined to end the humiliation. What was needed was a strict training regime, a fresh mental approach and one of those tough Australian coaches who bark from the side of the pool. I found him after responding to a small ad, and despite his sounding unpromisingly polite, I decided he was the man to change my life.

Our first exercise was called 'The Man From Atlantis'. It demanded my lying face down in the water and wiggling about while I exhaled bubbles through my nose. It was based on a famous television series, of which I had never heard; all I knew was that Atlantis was an underwater city and right now I had had enough of underwater. But he told me to be patient.

Soon, I began to "put the stroke together", bit by bit. The kick, the whirling arms, the breathing: it all began to make sense. Now I just had to do it all at the same time. My coach singularly refused to bark, preferring gentle encouragement as a technique. I was trying too hard; let's try a length or two of breaststroke (ugh - more humiliation) to take my mind off things.

Finally, one day, it clicked. I wish I could pin down how and why, but it is a mystical thing, this communion with the dolphins. I was on another spiritual level from anyone else in the pool. I undulated, and it felt good.

Only one problem remained: the nine-tenths of the British population who splashed ineffectually in my local pool. But I finally found a way of dealing with them too. This really works: first, get there early, lumber up, do your stretches, and gently ease down into the fast lane of the pool.

Second, wait for a happy punter to arrive, and watch as he or she looks for a lane in which to start swimming. Your lane looks tempting, for only you are in it; he or she heads for it, looking forward to a relaxing session.

Third, launch yourself into the water and do a length of butterfly with much vehemence. You will create a tidal wave, and some poolside commotion, but no matter, for no one will want to join you in your mad, anti-social flailings. At the end of your length, stand up and look enigmatic. It is a dolphin thing.

Lunch with the FT

The man who grows grains of truth

Edward Luce asks Dr Super-rice whether his breeding and eating habits can save the world

Surrounded by lush paddy fields and dreamy, Asiatic hills, it would be hard to match this idyllic setting with the global effort to avert what some fear will be a Malthusian disaster of overpopulation and starvation. Situated next to Los Banos, a sleepy Philippine town known for its healing springs and quiet hospitality, the International Rice Research Institute is more like an Anglican mission than a world-renowned academic centre.

Yet IRRI and, more specifically, Dr Gurdev Khush (known locally as Dr Super-Rice), winner of the 1986 World Food prize and probably the foremost expert on the genetics of rice, are crucial to the race to improve crop yields to feed the world's expanding population. Dressed casually and chancing a shy smile, the eminent Punjabi seemed at home against the institute's relaxing backdrop.

"Shall we have a spot of lunch before we talk?" he said gesturing towards the IRRI dining hall. "I think you'll like the rice we serve here." As head of the team which developed IR8 and IR64 - the rice strains which helped boost Asian yields in the 1970s and 1980s and went down in genetic history as the staple portion of the "Green Revolution" - the head of IRRI's plant breeding division promised to be an intriguing lunch partner.

As an unabashed consumer of large quantities of western stodge, I stood ready to argue the case for potatoes over rice. It came as something of a shock, therefore, to learn that Khush was more partial to wheat than the subject of his labours.

"As children in Punjab, our staple was mostly bread," he said slurping cheerily through the institute's cream of celery soup. "Fujabils eat the most delicious bread though I like Dhosa (south Indian rice bread) and of course we eat rice at home at least three times a week nowadays."

Not many academics take their work home to eat in the evenings. Perhaps more should. But



Dr Gurdev Khush is happy to take his work home to eat, his favourite rice dishes being Rice Krispies and rice pudding

only a handful, including Khush, who has sampled many of the 72,000 hybrids he has helped develop since 1967, would claim actually to enjoy the experience. "My wife, Harwant, is very good at testing the texture and evenness of the grain and she can also tell me how convenient it is to cook. These matters are very important to our research."

As the soup bowls were cleared, Khush decided to take me into his confidence. "If I were forced to choose between indica rice and Japonica rice [the two generic strains, the former long-grain, the latter, short] I would definitely opt for India," he said discreetly. "Japonica tends to be rather sticky and it lacks fragrance. Basmati rice, on the other hand, has a very appetising fragrance."

The main course - battered-fried pork, boiled peas and suspiciously glutinous-looking rice - was placed before us. "Of course as an Indian it is an entirely subjective view," he continued. "I am sure cultural and social factors come into play. If I were Korean or Japanese I would probably prefer the short-grain varieties."

My eyes kept returning to the plate. Rice was beginning to appeal as a subject matter and as a meal. The professor followed my gaze. "Now this, of course, is a short grain rice but it was grown in an indica plant," he said, indicating with his fork. "We call it IR841. It is a delicious rice but it has never left IRRI because the plant is too low-yielding. We grow it for our own consumption because we enjoy eating it."

I chose to swim with the tide and decided that this was no ordinary starch. My palate was genuinely tickled. "On a scale out of 10 I would give this eight or nine," said Khush, masticating happily. "Its texture, its colour, its nutritious content and above all its taste are of a very high quality."

Khush looked wistful. I remembered there were more important aspects to the grain than its culinary merits. I asked him about

sparked dire global food shortages. Armageddon, however, had largely failed to materialise. Khush seemed unfazed. "Perhaps it was because we took those warnings seriously that we managed to succeed in the green revolution," he said calmly.

"In the 1970s and 1980s rice productivity increased by almost 4 per cent a year while population growth was about 1.8 per cent. In the 1990s Asia's population is still growing by 1.8 per cent but rice production is increasing by only 1.5 per cent. You don't need to be a mathematician to work out the implications. This time, however, we are also up against water shortages and decreasing land supply. In short, we need another green revolution."

Which brought the conversation neatly to the question I had most wanted to ask - how close was he to developing the next generation of super-rice? The 61-year-old academic, who has five years left of his tenure as Mr Super-rice, is striving to repeat the unprecedented breakthroughs which led to the high-yielding hybrids of the green revolution. Back then - and with the help of improvements in irrigation - IR64 and its cousins boosted output by up to 300 per cent in some parts of Asia. IR64 is now cultivated on more than 8m hectares - roughly equivalent to the size of Indonesia. "I don't think we can develop another IR64 or IR72. What we are aiming for is to find a strain which will

Truth of the Matter

A sign that 'community' has had its day

Recommending yourself to posterity in terms of your employer now seems a quaint tradition, writes Tony Jackson

One of the quietest and most agreeable retreats in the City of London is a small park just north of London Wall. Much of its charm lies in the contrast with its surroundings, for London Wall itself is a noisy dual carriageway, lined with 1960s architecture of vintage ugliness.

In a corner of the park, between a fragment of the medieval city wall and a duck pond, stands a handsome lime tree. It was planted in 1979, according to a plaque at its foot, by a Mr so-and-so of Phillips & Drew.

Now, here is a voice from the past: a City worker, recommending himself to posterity in terms of his employer. These days, the idea seems so quaint as to deserve explanation.

Back in the 1970s, the stock-broking firm of Phillips & Drew was a venerable City institution.

Like other broking firms of the day, it could offer long-term employment and the chance of a partnership. Then came Big Bang, and Phillips & Drew was absorbed into a Swiss bank. Most of its partners retired early on their winnings.

Contrast the City of today. In the post-Big Bang world, stock-brokers are in a state of perpetual flux. At any time, they may receive a compelling offer from a rival firm; either that or the black bag, which is the City term for redundancy. Identifying themselves permanently with any given firm would strike them as bizarre. You might as well put a plaque with your rented address on it.

Indeed, few would identify themselves permanently as stock-brokers. No one can be sure of surviving in the City much beyond the age of 40. It is a

young person's game: a phase in one's career, not the career itself.

It was not always so. The park in which the lime tree stands is named after the building next to it: Barber-Surgeons' Hall. The City is full of such halls, homes to the medieval guilds, or livery companies. Today, many are little more than dining clubs. But their members carry the names of London's antique professions: cutlers and carmen, tilers and plasterers, blacksmiths and weavers.

It is not so long since Londoners were identified by their jobs even in death. Southwark, where the FT has its headquarters, was once a centre for the brewing industry. Hence the curious bronze plaque in Borough High Street, just south of London Bridge, commemorating 33 "men of the London hop trade" who died in the first world war.

The passing of this tradition - the sense of being rooted in a job or profession - has a good deal to answer for. It has become a cliché of the 1990s to talk about job insecurity. It is equally a cliché for economists to say this is irrational, that according to the data, people on average stay as long in their jobs as they ever did. But that is beside the point. What is new is not the fact of impermanence, but the sense that permanence is somehow unnatural. No one, we are told, has a job for life. Even if you end up possessing one, you will have the nagging feeling that something is wrong.

What has changed has less to do with security than individualism. The man who puts up a plaque with his company's name on it does so in a spirit of community. The company represents not just a pay cheque, but a

group of people with a shared history.

All the pressure is now all the other way. Employers urge their staff to think of themselves not as permanent fixtures, but birds of passage. The company cannot promise you employment, just employability. Do a good job, and if the company does not want you, someone else will.

It seems implausible that this kind of individualism can last for ever. The great majority of people are not highly paid, rootless professionals, connected to their peers by a wireless modem and an airline ticket. Nor are they self-sufficient enough to get by without a sense of society and continuity. If employers cannot offer that, so much the worse, in the long run, for the employer.

And if people cease to regard their jobs as worth recording, so much the worse for London.

Today's workers are surrounded by memorials to their predecessors: street names, pub signs, the new defined markets of Covent Garden and Billingsgate.

In the heart of the City, close to St Paul's cathedral, is a pub with the baffling name of the Dandy Roll. Though few of its clientele could tell you so, a dandy roll is an obscure gadget used in making paper. The pub is so called because until 20 years ago, the building round the corner was the headquarters of one of Britain's biggest paper makers, Wiggins Teape.

The company moved on, but the name remains. As it happens, the pub stands in Bread Street, which in the Middle Ages was the centre of the baking trade. One way or another, the world of work has a curious durability. Perhaps the Phillips & Drew man had history on his side after all.

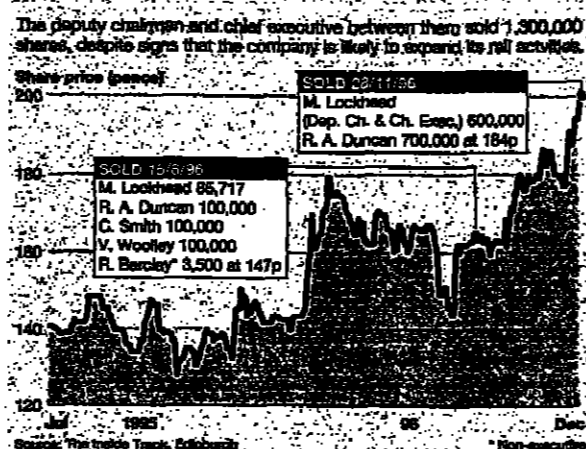
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WEEKEND INVESTOR

Last week's preliminary results

Table with columns: Company, Sector, Year, Price, Earnings, Market Movement. Lists companies like Anglo, Biff, Biff, etc.

FirstBus



The deputy chairman and chief executive between them sold 1,300,000 shares, despite signs that the company is likely to expand its rail activities.

Company share prices

Table listing various companies and their share prices, including Anglo, Biff, Biff, etc.

New issues

There was a bonanza for employees of Kier Group, Britain's largest unquoted construction company, this week, writes Christopher Price.

Results due next week

Table listing companies and their dividend payment dates, including Anglo, Biff, Biff, etc.

Rights issues

Patel (A) is to raise £27.4m via a 1-1 rights issue of 24m shares @ 120p.

Offers for sale, mergers & acquisitions

Acquasol to raise £10m via a full listing on the stock exchange and not an AIM listing as stated last week.

Last week's interim results

Large table with columns: Company, Sector, Year, Price, Earnings, Market Movement. Lists companies like Abbeybank, Abstract, Acet, etc.

Companies must notify the Stock Exchange within five working days of a share transaction by a director.

Table listing companies and their share prices, including Anglo, Biff, Biff, etc.

In the Pink

An investment strategy that makes sound sense

John Train details a simple and enormously popular formula for achieving stock market success

John Train is chairman of Montrose Advisers, an investment manager in New York City.

From time to time, I have reported on a simple and successful method of prospering in the US stock market. It should work in theory and, mirabile dictu, it does work in practice.

Briefly: each year, you buy the 10 highest-yielding stocks among the 30 that make up the Dow Jones Industrial Average. You leave the list alone for the whole year and then reconstruct it for the following year.

Here are the results of this strategy from 1978, at the top of one cycle, through 1995, well up in another cycle. The compound total return, including dividends, of the Dow was 11.9 per cent. For the 10 highest-yielding, rebalanced annually, it was 17.7 per cent - about half again as profitable.

It turns out that you can improve matters further by concentrating on a subset of the highest-yielding, namely, the lowest-priced five among the 10.

Applying that filter further improves your return, to 20.9 per cent. At this point, you have lost some diversification. Still, a portfolio consisting of five of these enormous enterprises, each one containing many divisions larger than normal-sized companies and all with world-wide operations, is more diversified than a portfolio of 20 or 30 smaller companies.

The formula assumes that you adjust the holdings at year-end. As a result, there has arisen a vast bulge of trading in those stocks on the last trading day of December.

best market day of a given year, the first three men you see on the street have navy blue ties with white dots, it does not follow that the next time the first three men are so adorned, you should put all your savings into a call on the Footsie.

It could be that the second lowest-priced conception falls in this category and will not recur with regularity. We will see.

As I say, not only does the 10 highest-yielding strategy work - it makes sense. Among the huge, wonderful enterprises that make up the Dow average, some will be out of favour at any given moment, often because of passing phenom-

ena such as Texaco's present racial bias suit, Rhopal, or the Valdez oil spill. But these things get settled, and life goes on.

In the very human nature of markets, however, bad news and good news alike result in grossly excessive price movements. This is because our instinctive calculation of odds can be highly inaccurate. In addition, any market is affected greatly by the waves of emotion we call the herd instinct. Look at the excesses of fashion and art collecting.

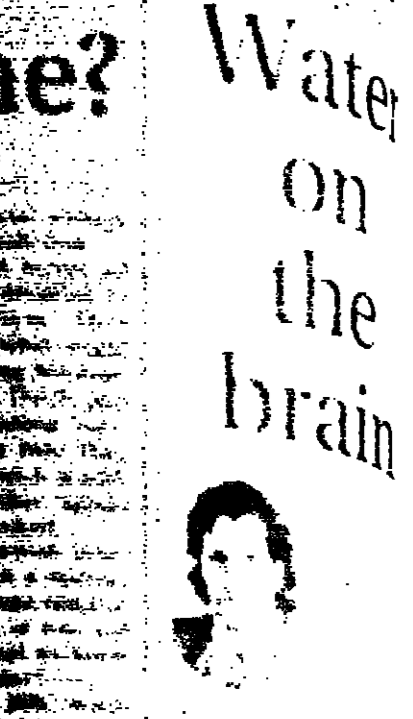
There is an analogy to this situation in the window dressing performed at year-end by investment funds. In order not to reveal unsightly losses in their annual reports, funded by shareholders, fund managers often sweep these mishaps under the rug, as it were, by dumping them before December 31, the date for holdings to be reported. Also, individual investors often like to take losses before year-end to offset already realised gains.

All this has, for decades now, resulted in December weakness in any stocks that lost quite a lot of ground during the year (although that weakness often is recaptured in January). So, these days, the tax selling starts ever earlier - even as soon as October. (Conversely, in positive window dressing, a manager often will top up a thinly-traded issue late in December, hoping that a little concentrated buying will kick up the year-end quotation for the whole position and, thus, for the whole fund.)

Anyhow, in much the same way, the increasing popularity of the high-yielding Dow stocks' strategy has enough market impact so that it now pays to move the execution forward out of the year-end congestion to earlier in the month.

In the past 20 years, there has only been one, 1986, when the December low fell on the last trading day. On the contrary, in recent years, the first trading day in December offered prices almost 3 per cent lower than the month's close. So avoid the rush.

IMPRESSIVE FROM A DISTANCE... BUT EVEN BETTER CLOSER UP. Advertisement for Perpetual investment funds, including a table of fund performance and contact information.



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Weekend Investor

Wall Street

Reasons enough to be fearful

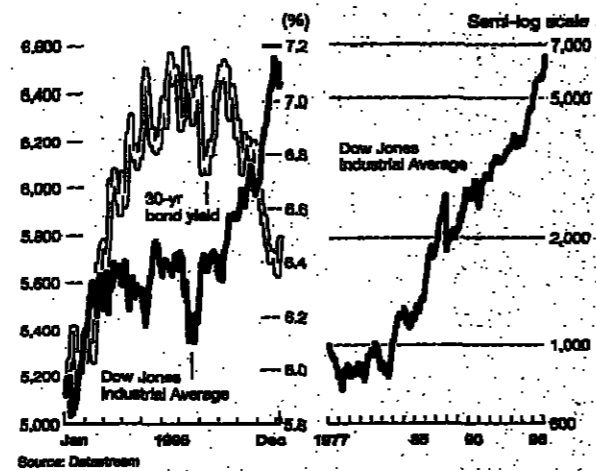
It is no great surprise that Alan Greenspan is worried, says Tracy Corrigan

Just mentioning excessive valuations is enough to send a shudder through the world's stock markets these days - at least if the speaker is Alan Greenspan, the US Federal Reserve Chairman.

In a speech on Thursday, Greenspan simply asked: "How do we know when irrational exuberance has unduly escalated asset values?" Still, it is an issue he would be unlikely to raise did he not have some concern that such exuberance exists. And he did say that evaluating market movements is part of the process of making monetary policy.

It is no surprise that Mr Greenspan is worried. Nearly everybody else is too. Valuations by most measures are looking expensive by historical standards, and dividends are low. Furthermore, there are concerns about the level of leveraged investment by hedge funds, which could unravel rapidly in a downturn, as it did in 1994's mini-crash.

Wall Street sneezes



the market's tendency this year to rise on weak economic data because of hopes that the Fed would be forced to cut rates further, buying stock and bond prices. It remains to be seen whether such a change in sentiment would halt the flow of money into mutual funds which has been a driving force of the bull market.

Even though the Fed may not feel able to raise rates to dampen market excesses and curb inflationary pressures, given the signs of a weaker economic environment, this does not preclude a tightening of monetary conditions.

"There are two ways of tightening: one is to raise rates in a buoyant economy and the other is not to cut rates in a weakening economy."

Earlier this week, the Fed's failure to add liquidity in its market operations, as the market was expecting, suggested that it may be willing to see market rates drift higher, without an official rate rise, according to analysts.

However, there are other reasons to worry, besides the Fed's behaviour. Some analysts are becoming increasingly concerned about the outlook for corporate earnings next year, after several years of impressive growth. The earnings of corporate America, up more than 10 per cent by most analysts' estimates this year, could be flat next year, according to Michael Metz, chief investment officer at Oppenheimer.

"Wage costs are rising and productivity is falling, causing a margin squeeze," he explains.

Furthermore, the strong dollar is negative for currency translation and for domestic pricing power and the benefits of downsizing have already been reaped.

"It's a market that's looking for an excuse to go down, but everyone afraid to pull the trigger," he said. However, if bond and stock markets do tumble, rising bond yields will further slow the economy and depress earnings, potentially creating a vicious circle. "I feel that cash will outperform the index," said Metz.

Henry Kaufman, a well-known market bear who is now running his own fund, has been warning recently that it is time for Greenspan to act to prevent the excessive market valuations from spilling over into the real economy.

Greenspan may have subtly managed to do just that, just by making a few rather opaque but well-timed remarks. The correction looks to be minor, but it could have sown the seeds of doubt needed to dampen the market's exuberance. At least the market may be coming to terms with the idea that monetary policy in 1997 is unlikely to be as positive for the markets as it has in the bull run of the last two years.

Dow Jones Ind Average

Monday	6,521.70	same
Tuesday	6,442.86	-70.01
Wednesday	6,477.94	+35.08
Thursday	6,437.10	-40.84
Friday		

London

Bang went Greenspan's gun

And Footsie fell down, reports Philip Coggan

If pathologists decide that the bull market died yesterday, there will be no mystery as to who did it.

Standing over the body, smoking a gun in hand, stands the figure of Alan Greenspan, chairman of the US Federal Reserve.

His comments that the Fed must be wary when "irrational exuberance" infects asset markets sparked a sell-off in US Treasury bonds which spread to Far Eastern equity markets and to London when it opened. That ended a period when the FTSE 100 index had looked like passing its closing all-time high of 4,073.1 which it reached on October 21. Yesterday, Footsie was 168.5 points down at one stage, and even a partial rebound left it 88.3 points lower.

The US market started sharply lower yesterday, although losses were tempered by employment data which was interpreted as being benign for the US

inflationary outlook. UK investors have been worried about Wall Street for some time, although the Dow Jones Industrial Average confounded the doubters by climbing from 6,000 to 6,500 in six weeks. The threat behind Greenspan's comments is that the Fed might raise rates to dampen that "irrational exuberance" in US bond and equity markets and cause a ripple effect round the world.

Low interest rates have been one of the spurs to the long bull market and, as in 1994 when the Fed started the process of doubling US rates, markets can be caught out when the cycle turns.

Obviously, higher rates make it more attractive for investors to hold cash and increase the borrowing costs of corporations. But low rates also encourage investors to borrow money to speculate in the markets; when rates start to rise, they rush to sell their leveraged

positions, causing prices to fall sharply.

Before yesterday, the week had been going fairly well. European markets were lifted by hopes that continental central banks would cut interest rates to revive their stagnant economies and give the process of currency union a helpful push.

The pound's rally came to an abrupt halt after an impressive run which had carried the currency up to DM2.64, within 14 pence of its old exchange rate mechanism floor of DM2.778.

Currencies rarely rise in a straight line, but the pound's decline was hastened by some emollient comments to a parliamentary committee from Eddie George, governor of the Bank of England, which seemed to play down the extent of his demands for interest rate rises to combat inflationary pressures.

The expectation of UK interest rate rises, at a time when rates in most countries are



It was no who-dunnit: Alan Greenspan is the guilty man

stable or falling, had been one of the main factors pushing the pound higher.

A neat Catch-22 could yet emerge here. A rise in the pound itself acts to combat inflation by bearing down on import prices. So, all things being equal, the more the pound rises, the less base rates need to rise to head off inflation.

But if rates do not rise, the pound will fall back. It will not act as a drag on import prices and thus the government might need to raise rates after all, pushing sterling back up. And so on.

Nevertheless, the pound's retreat gave a modest lift to shares, although the effect was masked by the week's setbacks on Wall Street. Even before Greenspan's comments, the Dow had recorded an 80-point decline on Wednesday.

The strain imposed on UK companies by the rise in the pound was starting to show. A number of companies, including media group Dorling Kindersley and the mail order group GUS, warned that the recent strength of sterling was liable to hit profits.

Sterling's strength also was a factor behind sharp share price declines at Racal Electronics and Reed International. Racal's warning, just a day before its interim results knocked 18 per cent off the shares and angered investors.

Reed's shares fell 5 per cent after a statement which was confident about the outlook for the year but noted

that the recent marked strengthening of sterling would reverse a headline 2 per cent profit gain in the first half. Analysts slashed their profits estimates accordingly.

That added to an earlier clutch of profits warnings from smaller companies - Crown Products, Forward Group, Hawial Whiting and HighPoint - adding to the recent trend of bad news from that sector.

Analysts still expect corporate profits to rise in 1997, and the recent signs of economic strength should certainly give earnings a lift. But while profits growth might be expected to help markets, rising interest rates often cause a fall in the multiple (the price-earnings ratio) which investors attach to those profits. On Thursday, the FT Non-Financials index was trading on a p/e of just under 18, leaving scope for a decline (the 10-year average is 15.5).

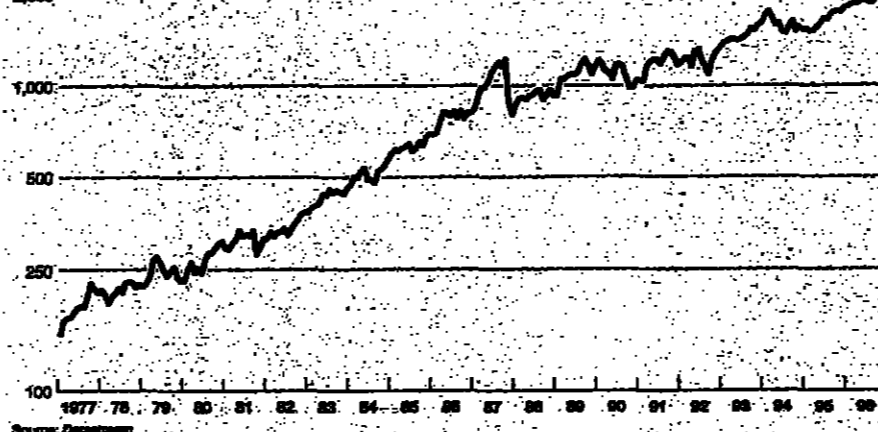
In theory, shares should have a cushion because the long gilt-equity yield ratio dropped below 2 this week, normally a sign that shares are cheap. Of course, another way of looking at the ratio is to say that gilts are expensive.

Chartist Brian Marber has been predicting a setback in London and New York and says: "When the chart is saying something strongly, the fundamentals come along to prove it." He predicts Footsie will fall by around 17 per cent from its high (that is, to 3,380) by February.

Blow to Racal: Page 5

End of a long run?

FTSE All-Share Index (semi-log scale)



Highlights of the week

	Price	Change	52 week High	52 week Low	Comments
FTSE 100 Index	3968.0	-82.0	4073.1	3578.9	Greenspan comments
FTSE 250 Index	4348.1	-60.4	4688.6	4015.3	Macro-economic concerns
American Ind	1115	-18.4	1167.4	818	Buying ahead of figures
Asiabourse	1774	-17.0	1774	126	Agreed bid
BT	397	-15.5	402.4	329.6	Favourable comment
Faber Plast	380	-32.4	580	290	Positive comment on figures
Gt Universal Store	622.4	-60.4	770	581.4	Cautious trading statement
Guardian Royal Exch	283	-5	282	218	Market correction
Ladbroke	209.4	-4.4	218	143	National Lottery rise
Logica	282	-5.4	288	452	Acquisition
LucasVarity	228	-25.4	282	172	Valued profits warning
Reed International	1078.4	-78	1280	954	Warning on margins
Siegl	971	+27.4	1014.4	750	Flare-up at top end of associations
Southern Electric	781.4	-50	810	507	Takeover hopes
Standard Chartered	682.4	-12	728.4	542	Greenspan comments



Barry Riley

An excess of exuberance

Heave to and stand by for another shot across the bows

Some - including, it would seem, the US Federal Reserve Board chairman Alan Greenspan - say this is becoming a dangerous bull market. Certainly it has become a very extended one. But perceptions of its strength vary considerably.

The UK market, as measured by the All-Share Index, was up by under 10 per cent this year even before yesterday's writedowns. It has scarcely amounted to a reckless boom.

The World Index in sterling terms has risen by less than 5 per cent, partly because sterling itself has appreciated. A French investor, measuring his portfolio's progress in francs, thinks the World Index has climbed by more like 20 per cent. And although Continental European markets have performed well this year, Japan has repeatedly disappointed.

Wall Street, above all, has coloured our perceptions. The US market has been going like a train, and now enjoys a 49 per cent weighting in the World Excluding UK Index. This is where Alan Greenspan is focusing his warnings about "irrational exuberance".

British investment institutions only have about 16 per cent of their overseas

equity portfolios in US stocks - so they have a vested interest in a Wall Street crash. The Fed chairman is doing them an unexpected favour.

The Dow Jones Average has climbed 20 per cent since July, and 25 per cent this year, despite this week's retracement from 6900-plus territory. Recently a group of big US blue chips has been scoring especially heavy gains. Before yesterday's mayhem, IBM had risen 76 per cent this year. Citicorp was up 87 per cent and Intel had more than doubled. Even now the Dow's cumulative gains over the past two extraordinary years extend to about 75 per cent. Not all US investors are feeling happy, however, because shareholders in smaller companies are feeling left out of most of the fun. The Russell 2000 Index, which reflects this area of the US market, has risen only 10 per cent in 1996 so far, and more to the point has yet to regain its early summer peak.

This relative weakness among small company stocks appears to be common to most of the world's stock markets. In the UK the FTSE SmallCap Index has also languished since June. The stock market's boom is thus clearly based upon the

potential of big companies to exploit global growth opportunities or, failing that, to add shareholder value through labour force downsizing, as we saw with NatWest Bank's plan this week to shed 10,000 jobs and LucasVarity's proposal to cut the payroll by 8,000.

All the same, if the US

A very extended bull market scarcely amounts to a reckless boom.

and UK markets are to trace out tops in the near future a final speculative advance by the small capitalisation stocks might be expected.

David Schwartz, the stock market historian, has already decided that the top is close. He points out in his stock market newsletter that seven out of eight US presidents elected for a second term have presided over a Wall Street bear market in the first year of these second periods. Such presidents, it is said, devote themselves to pleasing history rather than their citizens.

We may note that Greenspan has been

unleashed to attack Wall Street after, rather than before, the presidential election a month ago. Would not a touch on the tiller have been better timed in September?

Schwartz also points out that the Coppock indicator has accurately, with just one exception, flashed up warnings of declines in the UK market. According to Coppock the October peak of 4073.1 on the FTSE 100 Index will turn out to have been the bull market high. Unfortunately, history does not repeat itself exactly. And it turns out that those exceptional cases were not buried in the distant past but concerned the start of Reagan's second term in 1985 and the bulk of the 1980s bull market, when the Coppock indicator went haywire. It is a fair assumption that old history is more likely to be bunk than new history.

Robin Griffiths, the chartist at brokers James Capel, has tracked this bull market very accurately all the way through, and his latest pre-Greenspan view was positive. The Dow could go to 7200 - another 10 per cent above the recent high - and the Footsie could trend upwards until after the UK's spring election.

Griffiths nevertheless thinks the markets will top out during 1997 - the Dow

perhaps as soon as January, the broader and small cap indices later. But he is not talking about a serious crash.

Now, however, we must take into account the intervention of Alan Greenspan. Nearly three years ago he triggered a collapse in the bond markets by raising interest rates. This time he appears to prefer to talk down the stock market rather than bidgeson it with a rate rise. But the markets have been getting around to the idea that the next move in dollar interest rates will be down and that must now be questionable. Confusingly, though, yesterday's US economic data turned out to be benign.

Better a little crash now than a big crash later? That is part of it, but the real message of Thursday night's bombshell is that the central bankers realise they can no longer engage in unprecedented volumes of intervention on the foreign exchanges without taking responsibility for the bubbles that may be blown up as a consequence in the securities markets.

As for a rate increase, if the shot across the bows does not work, no doubt the next will be aimed at the engine room.

S.A.E. to Burleigh Hall, Stroud, Gloucs GL5

Offshore managed funds and UK managed funds are listed in Section One

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FT MANAGED FUNDS SERVICE

Authorised and Insurances

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

Main table containing financial data for various unit trusts and insurance policies, organized in columns with headers for fund names, prices, and other metrics.

Handwritten Arabic text at the top of the page.

Vertical text on the left side of the page, including 'man's gun' and 'ment Man'.

GUCCI timepieces advertisement featuring a watch image and contact information for dealers.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts with columns for fund names and prices.

PROPERTY UNIT TRUSTS

Table listing property unit trusts with columns for fund names and prices.

INSURANCES

Table listing insurance policies with columns for policy names and prices.

Table listing insurance policies with columns for policy names and prices.

Insurance, Money Markets and Other

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available on the telephone. Call the FT Cityline Help Desk on (444 171) 673 4876 for more details.

Main table containing financial data for various insurance and fund categories. Columns include fund names, prices, and other financial metrics. Categories include General Accident, Life Assurance, and various investment funds.

Money Market Trust Funds

Money Market Bank Accounts

MANAGEMENT SERVICES

Handwritten signature or stamp at the bottom center of the page.

Handwritten text: 11/11/96

FT MANAGED FUNDS SERVICE

Offshore Funds

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (44-171) 874 4376 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda funds including Family Currency Funds Ltd, Bermuda Investment Management Ltd, and others with columns for Name, Price, and % Change.

BERMUDA (REGULATED)**

Table listing regulated Bermuda funds including Advanced Capital Management Ltd, Bermuda Investment Management Ltd, and others with columns for Name, Price, and % Change.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey funds including All Investment Management (Guernsey) Ltd, Guernsey Investment Management Ltd, and others with columns for Name, Price, and % Change.

IRELAND (SIB RECOGNISED)

Table listing Ireland funds including All Investment Management (Guernsey) Ltd, Ireland Investment Management Ltd, and others with columns for Name, Price, and % Change.

IRELAND (REGULATED)**

Table listing regulated Ireland funds including All Investment Management (Guernsey) Ltd, Ireland Investment Management Ltd, and others with columns for Name, Price, and % Change.

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IRELAND (REGULATED)**

Table listing regulated Ireland funds including All Investment Management (Guernsey) Ltd, Ireland Investment Management Ltd, and others with columns for Name, Price, and % Change.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man funds including AXA Equity & Law Ltd, Isle of Man Investment Management Ltd, and others with columns for Name, Price, and % Change.

ISLE OF MAN (REGULATED)**

Table listing regulated Isle of Man funds including AXA Equity & Law Ltd, Isle of Man Investment Management Ltd, and others with columns for Name, Price, and % Change.

ISLE OF MAN (REGULATED)**

Table listing regulated Isle of Man funds including AXA Equity & Law Ltd, Isle of Man Investment Management Ltd, and others with columns for Name, Price, and % Change.

JERSEY (SIB RECOGNISED)

Table listing Jersey funds including AXA Equity & Law Ltd, Jersey Investment Management Ltd, and others with columns for Name, Price, and % Change.

JERSEY (REGULATED)**

Table listing regulated Jersey funds including AXA Equity & Law Ltd, Jersey Investment Management Ltd, and others with columns for Name, Price, and % Change.

JERSEY (SIB RECOGNISED)

Table listing Jersey funds including AXA Equity & Law Ltd, Jersey Investment Management Ltd, and others with columns for Name, Price, and % Change.

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Form for Macmillan Appeal donation. Includes fields for Name, Address, Postcode, and checkboxes for payment methods (Cheque, Visa, Amex, Access, M/C, Other). Includes a signature line and a box for 'My card number'.

MANAGEMENT SERVICES

Table listing management services including various fund managers and their contact information.

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FT MANAGED FUNDS SERVICE

Offshore Funds and Insurances

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

LUXEMBOURG (SIB RECOGNISED)

Main table containing fund names, ISIN numbers, and performance data for various offshore funds and insurance products.

JAVICO LTD

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 874 4876 for more details.

Main table containing financial data for various funds, including columns for fund names, prices, and performance metrics. The table is organized into multiple columns and rows, listing numerous fund categories and their corresponding values.

Handwritten text in a box at the top right of the page, possibly a signature or reference code.

Mikimoto advertisement featuring a pearl necklace and the text 'A STYLISH ARRAY OF EXCEPTIONAL CULTURED PEARL EARRINGS AND NECKLACES SET IN 18K GOLD. MIKIMOTO 179 New Bond Street London W1Y 3PD Tel 0171 629 3300'.

OTHER OFFSHORE FUNDS

Small table listing additional offshore fund names and their prices.

MANAGED FUNDS NOTES: A detailed section providing information about the fund service, including contact details and a disclaimer.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Dec 6 / US\$)

Table of stock prices for North America, including US, Canada, and Mexico. Columns include company names, current prices, and 52-week high/low.

EUROPE

WESTERN EUROPE (Dec 6 / £)

Table of stock prices for Western Europe, including UK, France, Germany, and others. Columns include company names, current prices, and 52-week high/low.

ASIA

SOUTH ASIA (Dec 6 / US\$)

Table of stock prices for South Asia, including India, Pakistan, and Sri Lanka. Columns include company names, current prices, and 52-week high/low.

AFRICA

SOUTH AFRICA (Dec 6 / Rand)

Table of stock prices for South Africa. Columns include company names, current prices, and 52-week high/low.

PACIFIC

JAPAN (Dec 6 / Yen)

Table of stock prices for Japan. Columns include company names, current prices, and 52-week high/low.

INDICES

Table of major stock indices including Dow Jones, S&P 500, Nikkei, and others. Columns show current values and percentage changes.

US INDICES

Detailed table of US stock indices, including various market baskets and their performance metrics.

NEW YORK STOCKS

Table of individual stock prices listed on the New York Stock Exchange, including company names and prices.

NEW YORK BONDS

Table of bond prices and yields, including Treasury bills, notes, and bonds.

COMMODITIES

Table of commodity prices for various goods such as oil, metals, and agricultural products.

INDEX FUTURES

Table of futures prices for major stock indices, including S&P 500 and Nikkei.

COMMODITY FUTURES

Table of futures prices for various commodities, including oil, wheat, and metals.

CURRENCY EXCHANGE

Table of currency exchange rates for major world currencies against the US dollar.

INTEREST RATES

Table of interest rates for various financial instruments, including government bonds and bank deposits.

MARKET COMMENTARY

Textual analysis and commentary on market trends, volatility, and investor sentiment.

Advertisement for Rockwell, featuring the text 'Rockwell leads the world in integrated data/fax/voice modem products.' and the Rockwell logo.

Large advertisement on the right side of the page with the text '...well of' and '...urses pay'.

Handwritten signature 'JAMES LEO' at the bottom center of the page.

WORLD STOCK MARKETS

Dow well off lows at mid-session A bitter combination spoils French party

Andrew Jack on the bourse that failed to peak

US shares were sharply weaker at mid-session, but well off their lows, after comments by Mr Alan Greenspan...

tumbled more than 17 points during the morning, was off 7.65 at 736.73. Trading was extremely active, with Slim shares changing hands on the NYSE.

close to being fairly valued now. The early sell-off was especially sharp among technology shares...

Corp eased 10 cents to C\$40.15. MEXICO CITY suffered the heaviest setback among senior Latin American bourses...

But then came some unpleasant surprises. In a move which many saw as discrediting France's whole privatisation system...

Mr David Harrington, French market analyst with HSBC-James Capel, says that the Thomson affair, not to mention the chaos during the road truckers' two-week strike...

Bourses pay the price of projection

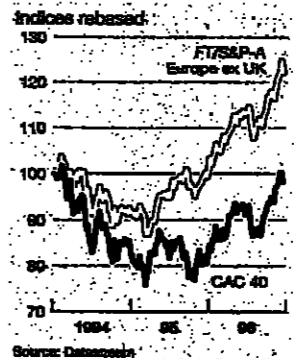
There were sidishows in the weakness of the dollar and bond markets, ameliorated in both cases by the US November jobs data...

Among other sensitive cyclical, Continental, the tyre company, fell DM1.15 or 4.1 per cent to DM27.27.

FTSE Actuaries Share Indices. The European Series. Daily changes. Open 10.30 11.00 12.00 13.00 14.00 15.00 Close

Swiss Re dropped to an early low of SFr1,341 but recovered to finish SFr29 down at SFr1,391 after the company forecast full year net profit to rise by significantly more than 10 per cent...

Shares in Johannesburg were mixed with industrials skidding lower but golds continuing to gain from a better showing by the bullion price.



Source: DataStream

At the end of the day, however, falls of around 2 per cent seemed to be the norm, with serious profit-taking in evidence after the highs of recent weeks.

AMSTERDAM closed with the AEX index down 12.18 at 1,144.00. The index had a fall of 6.2 per cent at their intraday low.

A big jump in passenger traffic, which surged 16 per cent in November, failed to correct the tailspin at KLM which came off 80 cents to F146.70.

MILAN succumbed to the downbeat mood elsewhere in turnover that doubled from the recent daily average to around L1,000bn.

Shares in Johannesburg were mixed with industrials skidding lower but golds continuing to gain from a better showing by the bullion price.

Then the market faced a further heavy blow on Friday, in the wake of comments from Mr Alan Greenspan, head of the US Federal Reserve, who referred to the "irrational exuberance" of financial markets around the world tumbling.

Heavy selling hits Tokyo blue chips

Mr Greenspan's cold douche for global markets left TOKYO with its biggest single-day loss this year, writes Gwen Robinson.

The Nikkei 225 average nosedived 667.20 to 20,276.70 after moving between 20,171.60 and 21,001.90.

Volume was over 270m shares and losers trounced gainers by 652 to 88.

China's hard currency B shares refused, however, to be detached from their winning ways.

Shares in Johannesburg were mixed with industrials skidding lower but golds continuing to gain from a better showing by the bullion price.

Table with columns: Issue, Amt, Mkt, Close, High, Low, etc. Includes sections for ASIA PACIFIC, EUROPE, and LONDON RECENT ISSUES: EQUITIES.

FT/S&P ACTUARIES WORLD INDICES. Table with columns: Country, Index, % Change, etc. Includes sections for FT/S&P ACTUARIES WORLD INDICES, FT GOLD MINES INDEX, and TRADEPOINT INVESTMENT EXCHANGE.

LONDON STOCK EXCHANGE - DEALINGS

Details of business done shows below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. The data is now delivered by EasTel, part of Financial Times Information Services.

The prices are those at which the business was done in the 24 hours up to 5.15pm on Thursday, they are not in order of execution but in ascending order which denotes the day's highest and lowest trades.

For those securities in which business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

* Bargains at special prices. * Bargains done the previous day.

British Funds, etc
ABF Investments 5% Cum Div 1996-2000 100% (04/09/96)
ABF Investments 7% Cum Div 1996-2000 100% (04/09/96)

Foreign Stocks, Bonds etc
Coupons Payable in London
BAI 10% 1996-2000 100% (04/09/96)

Debt Insurance
Bridges & Bridges Building Society 10% Cum Div 1996-2000 100% (04/09/96)

Sterling Issues by Overseas Borrowers
Austrian Republic 10% 1996-2000 100% (04/09/96)

Listed Companies (excluding Investment Trusts)
Abbey National PLC 10% Non-Cum Div 1996-2000 100% (04/09/96)

Brickell & Bricker Building Society 10% Cum Div 1996-2000 100% (04/09/96)

Cooper (Theobald) PLC 6.5% Non-Cum Div 1996-2000 100% (04/09/96)

Debt Insurance
Bridges & Bridges Building Society 10% Cum Div 1996-2000 100% (04/09/96)

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WEEKEND BUSINESS

TELECOMMUNICATIONS
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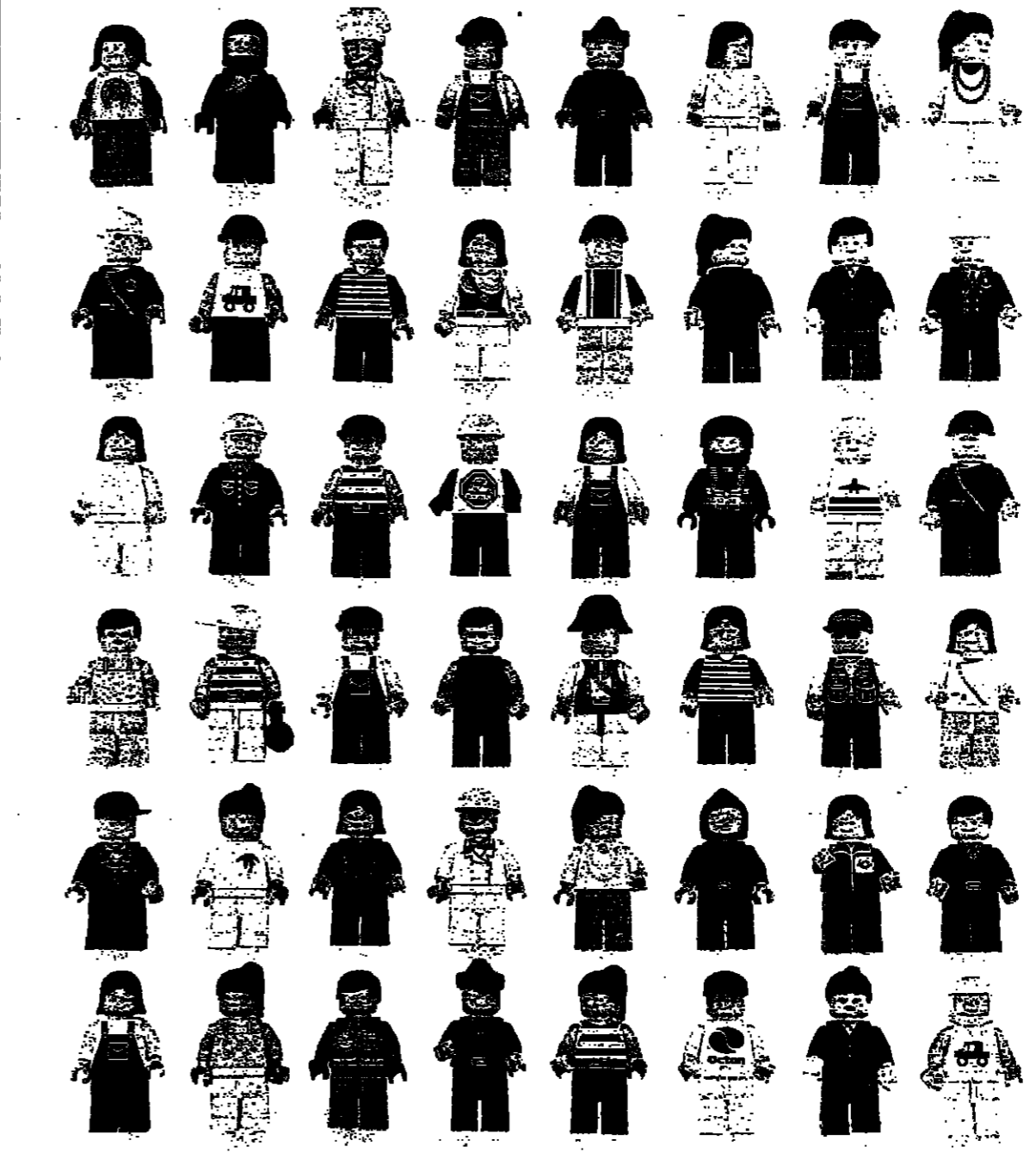
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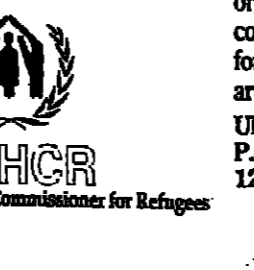
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Three powerful Real-time & End-of-Day Technical Analysis systems to choose from.



SPOT THE REFUGEE
There he is. Fourth row, second from the left. The one with the moustache. Obvious really.
Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbourhood slob with a grubby vest and a weekend's stubble on his chin.



هنگامه من الاصل

LONDON STOCK EXCHANGE

Greenspan speech triggers big market slide

MARKETS REPORT

By Steve Thompson, UK Stock Market Editor

A volved warning from Mr Alan Greenspan, chairman of the US Federal Reserve, of "irrational exuberance" in financial markets hit global markets like a thunderbolt yesterday, and produced the biggest one-day fall in the FTSE 100 index since June 1994.

Trading sessions for many months, the FTSE 100 index was left nursing a loss of 88.2 points, or 2.2 per cent, at 3,963. The weakness in the leaders was also seen by the FTSE 250 index, which fell 87.7, or 2 per cent, to 1,988.3.

Dealers in London took swift evasive action, slicing their opening quotes in response to big falls across Asian markets and in anticipation of a big hit on Wall Street.

With the continuing political uncertainty, "The big bear hit will come on Monday after all those fund managers have read the Sunday newspapers; they'll be cringing at the prospect of another slide," said the head of sales at one big London broker.

Political worries intensified late in the session on news that Mr John Gorton, the Conservative MP for Hendon North, had resigned the government whip.

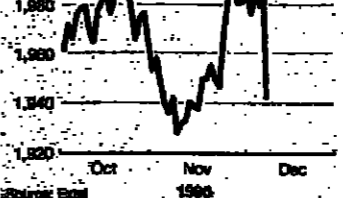
Traders said the London market had coped well with the sell-off. "There was no panic selling; in fact some of the institutions were happy to pick up lines of quality stock," said one trader.

Strategists remained wary of the market. Mr Andy Hartwell at SGST, the stockbroker, warned: "Beware of the sound of dead cats bouncing; the question is what is the level of correction needed before Mr Greenspan's exuberance is blown out? I don't think 1 per cent off the Dow is

enough, there is every potential for it to fall to 6,100." Mr Richard Jeffrey at Charterhouse Tiley cautioned: "Footsie looks very exposed above the 4,000 level; Greenspan's speech has sensitised world markets to the potential impact of an increase in rates."

The turmoil led to a sharp increase in trading between market-makers, who were obviously reluctant to take on large lines of stock. Turnover at the 5pm cut was a reasonable 726.2m shares.

FTSE All-Share Index



Equity shares traded

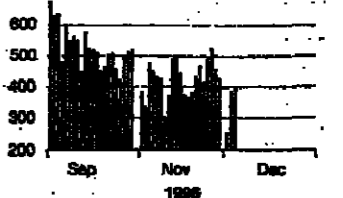


Table with columns: Index and ratios, FTSE 250, FTSE 350, FTSE All-Share, FTSE All-Share yield, FT 30, FTSE Non-Fins p/e, FTSE 100 Fut Dec, 10 yr Gilt yield, Long gilt/equity yld ratio.

Table with columns: FTSE 100 Index, Closing Index for Dec 6, Change over week, Dec 5, Dec 4, Dec 3, Dec 2, High, Low, Three-day high and low for week.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for various stocks including AstraZeneca, Biffaward, British Airways, etc.

EQUITY FUTURES AND OPTIONS TRADING

Table showing equity futures and options trading data for FTSE 100 and FTSE 250 indices.

FTSE - LEADERS & LAGGARDS

Table listing percentage changes for various sectors and individual stocks.

Far East banks targeted

By Peter John, Joel Kibazo and Edward Martin

Banks with exposure to East Asia led the London market down yesterday as they responded to the sharp falls in Hong Kong and Tokyo markets.

These falls reflected the Pacific's early response to the remarks about financial markets from Mr Alan Greenspan, the chairman of the US Federal Reserve.

Standard Chartered, which tends to be one of the more tightly traded stocks within the banking sector, was initially the most badly wounded casualty in a bloodied Footsie that contained only one spot of blue.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various companies like BTR, Faber Probst, etc.

NEW 52 WEEK HIGHS AND LOWS

Table listing 52-week high and low prices for various companies.

Hourly movements

Table showing hourly movements for FTSE 100, FTSE 350, and FTSE 100 High.

FTSE 350 Industry baskets

Table showing performance of various industry baskets like Edg & Chemist, Pharmaceuticals, etc.

FTSE Actuaries Share Indices

Table showing FTSE Actuaries Share Indices for various sectors like Mineral Extraction, etc.

Hourly movements

Table showing hourly movements for FTSE 100, FTSE 350, and FTSE 100 High.

FTSE 350 Industry baskets

Table showing performance of various industry baskets like Edg & Chemist, Pharmaceuticals, etc.

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Table showing performance of various industry baskets like Edg & Chemist, Pharmaceuticals, etc.

FTSE Actuaries Share Indices

Table showing FTSE Actuaries Share Indices for various sectors like Mineral Extraction, etc.

BTR stands alone

Anglo Australian diversified industrial group BTR stood alone for most of the session as the only speck of blue after it staged an impressive recovery following publication of a positive trading update.

Recs bid raised

Electricity stocks received a boost after CE Electric of the US improved its offer for Northern Electric.

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Need facts and figures in a hurry? We can track down the information you need

FTSE Actuaries Share Indices (continued)

FTSE Actuaries Share Indices (continued)

FTSE Actuaries Share Indices (continued)

THE ALL ENGLAND LAWN TENNIS GROUND plc ("Company") £2,000 nominal debentures 1996/2000 Series

THE ALL ENGLAND LAWN TENNIS GROUND plc ("Company") £2,000 nominal debentures 1996/2000 Series

Swiss Industry and Technology on Tuesday, February 4

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES	CHEMICALS - Cont.	ENGINEERING	EXTRACTIVE INDUSTRIES - Cont.	HOUSEHOLD GOODS - Cont.	INVESTMENT TRUSTS - Cont.
BANKS, MERCHANT	DISTRIBUTORS	ENGINEERING - Cont.	FOOD PRODUCERS	INSURANCE	INVESTMENT TRUSTS
BANKS, RETAIL	DIVERSIFIED INDUSTRIALS	ENGINEERING, VEHICLES	FOOD PRODUCERS - Cont.	INVESTMENT TRUSTS SPLIT CAPITAL	
BREWERIES, PUBS & REST	ELECTRICITY	EXTRACTIVE INDUSTRIES	GAS DISTRIBUTION		
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INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for name, price, and change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for name, price, and change.

INVESTMENT COMPANIES

Table listing investment companies with columns for name, price, and change.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for name, price, and change.

LIFE ASSURANCE - Cont.

Table listing life assurance companies with columns for name, price, and change.

MEDIA

Table listing media companies with columns for name, price, and change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for name, price, and change.

OTHER FINANCIAL

Table listing other financial companies with columns for name, price, and change.

PAPER, PACKAGING & PRINTING - Cont.

Table listing paper, packaging, and printing companies with columns for name, price, and change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for name, price, and change.

PROPERTY

Table listing property companies with columns for name, price, and change.

PROPERTY - Cont.

Table listing property companies with columns for name, price, and change.

RETAILERS, GENERAL

Table listing general retailers with columns for name, price, and change.

SUPPORT SERVICES

Table listing support services companies with columns for name, price, and change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for name, price, and change.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for name, price, and change.

TEXTILES & APPAREL - Cont.

Table listing textiles and apparel companies with columns for name, price, and change.

TOBACCO

Table listing tobacco companies with columns for name, price, and change.

TRANSPORT

Table listing transport companies with columns for name, price, and change.

WATER

Table listing water companies with columns for name, price, and change.

AIM - Cont.

Table listing AIM companies with columns for name, price, and change.

AMERICANS

Table listing American companies with columns for name, price, and change.

CANADIANS

Table listing Canadian companies with columns for name, price, and change.

SOUTH AFRICANS

Table listing South African companies with columns for name, price, and change.

Advertisement for MAPPIN & WEBB: START YOUR CHRISTMAS WITH A GRAND OPENING. Includes an image of a silver corkscrew and contact information.

GUIDE TO LONDON SHARE SERVICE

Price for the London Share Service are delivered by Ecolat, part of Financial Times Information. Company identifications are based on those used for the FTSE Actuaries Share Index. Closing bid-price are shown in pence unless otherwise stated. High and low are based on the day's bid-price. Where stocks are denominated in currencies other than sterling, the £ is indicated after the name. Prices shown for some of these stocks are based on the converted bid price starting from latest available local Stock Exchange prices. Symbols referring to dividend status appear in the column column as a guide to yields and P/E ratios. Dividends and Dividend cover are indicated on Monday. Market capitalisation shown is calculated separately for each line of stock quoted. Large cap is calculated on a basis of 100 million sterling. Shareholdings are based on the latest available figures. Where possible, we quote on interim figures. Yields are based on bid-price, are given as a dividend as a percent of 20 pence and show the rate of dividend distribution and date. Estimated Net Asset Value (NAV) are shown for Investment Trusts, in pence per share, along with the percentage discount (D) or premium (P) to the current closing bid price. The bid price is shown after changes at the market, convertible converted and normal dividend if dividend rates. * High and low have been marked thus have been adjusted to allow for dividend changes. * Shares shown as increased or decreased indicate share increases, decreases or dividend. * Shares of companies incorporated in the USA are marked with an asterisk. * Five companies report available, see details below. * UK bid price on stock exchange for FTSE 100 companies not subject to normal changes of regulation at listed companies. * The FTSE 100 index is based on the FTSE 100 index. * Indicated dividend yield after paying stock and other rights issue shows the bid or converted bid price. The bid price is shown after changes at the market, convertible converted and normal dividend if dividend rates. * This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £250 a year for each security shown, subject to the Editor's discretion. * FT Free Annual Reports Service: You can obtain the current annual/interim report of any company associated with the FT. Please quote the code FT2198. Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822. Reports will be sent the next working day, subject to availability. * FT Company Focus / Focus Plus: Comprehensive 10-18 page report available on this company, containing key news stories from the last year, latest survey of City profit forecasts and investment recommendations, 5 year financial and share price performance review, balance sheet and profit and loss data, plus recent Stock Exchange announcements. Company Focus (FT news) £8.95. Focus Plus (FT and Investors Chronicle news) £10.95. To order, call 0121 200 4678. Reports published by ShareFinder Ltd. * FT Cityline: Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details. Calls charged at 45p per minute cheap rate and 50p per minute at all other times. An international service is available for callers outside the UK, annual subscription £250. Call 0171 873 4378 for more information on FT Cityline. * The share prices printed on these pages are also available on the internet at http://www.ft.com.

LEGAL DEFINITIONS
 concert parties n. 1. a group of musicians typically involving a large number of musicians
 2. a group of persons acting in concert to acquire a company's shares. See ROWE & MAW, ASSP (A 0171-348 4282)
Rowe & Maw
 LAWYERS FOR BUSINESS

FINANCIAL TIMES
 Weekend December 7/December 8 1996

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Serbs give hint of climbdown
 Protests force Milosevic rethink on elections dispute

By Laura Silver in Belgrade and Lionel Barber in Brussels

Serbia's regime showed signs of giving ground to the opposition yesterday after nearly three weeks of steadily growing street protests and international condemnation.

European Union foreign ministers, meeting in Brussels, stepped up their pressure on Belgrade by refusing to grant trade concessions which they have extended to other former Yugoslav republics.

But Mr Carl Bildt, the international secretary and high representative in Bosnia, told the EU ministers he could see "signs of light in the darkness" in the form of concessions by the Serbian authorities.

The Supreme Court agreed yesterday to reconsider its earlier decision to cancel the opposition's victory in the Belgrade municipal election of November 17.

But Mr Zoran Djindjic, president of the opposition Democratic party, made clear his supporters would continue mass demonstrations until local election victories in a string of Serbian cities were fully restored. Opposition leaders were pessimistic about the chances of an early compromise with President Slobodan Milosevic, noting that the regime had summoned extra police to Belgrade in an apparent sign that it had not ruled out the use of force.

"There will be no compromise. We will not give up until everything is given back to us," said Mr Djindjic, who has been elected as the first non-communist mayor of Belgrade since the second world war.

Western diplomats in Belgrade said Mr Milosevic had signalled to them his willingness to make a gesture that would stem the street demonstrations, which have attracted crowds of up to 100,000.

The president's power base showed further signs of eroding yesterday when Mr Aleksandar Tjadic, the information minister, resigned over state media censorship.

The republic of Montenegro, until now Serbia's loyal partner in the rump state of Yugoslavia, denounced as "absolutely undemocratic" the behaviour of Mr Milosevic in seeking to reverse local election results. But the Serbian leader, who rose to power on a nationalist platform in 1987 and later backed the Serb rebellions in Croatia and Bosnia, remained in control of the main levers of power, including the police and media.

Mr Bildt described as "significant" the fact that the regime had drawn back from completely suppressing Belgrade's independent media.

Meanwhile, the EU's Irish presidency prepared a strongly worded statement which called on the Serb president to abide by the election results and stop censoring the media.

Mr Klaus Kinkel, German foreign minister, said Mr Milosevic "is no longer Serbia," adding: "We can manage without him."

Oil groups agree deal for Caspian pipeline project

By Chrystia Freeland in Moscow and Sander Thomes in Almaty

Nine oil and gas companies and three governments yesterday signed a long-awaited deal to go ahead with a \$2bn export pipeline linking Kazakhstan's oilfields to world markets.

The agreement brings companies, including Chevron, the US multinational, and Lukoil, Russia's most powerful oil concern, into the Caspian pipeline project. In exchange for a 50 per cent equity interest, they pledged to finance construction of the 1,500 km pipeline.

"This is a momentous occasion," said Mr Jeet Bindra, Chevron's senior vice-president for pipelines and transportation. "We have agreed to build a pipeline that will unlock the reserves of the Caspian region."

The restructuring deal, which paves the way for a share acquisition expected to take place by early February, is an important milestone in the often turbulent evolution of the Caspian Pipeline Consortium.

The consortium was founded in 1992 by the governments of Russia, Kazakhstan and Oman, but Chevron, the pipeline's main potential client, refused to join unless Oman cut its stake to reflect its limited investment.

Participants hope yesterday's agreement, the result of seven months of negotiations, will clear the way for construction to begin next year, allowing the pipeline to be completed in 1998.

But until the last minute, the agreement appeared mired in the disputes which are an unavoidable part of doing business in the former Soviet Union.

The signing ceremony itself was delayed for a few hours, when Russian government officials decided they needed the final personal approval of Mr Victor Chernomyrdin, the Russian prime minister, for the deal.

One of the most contentious issues, yet to be resolved, has been the role of Transneft, the Russian pipeline operator which has been pressing for an equity stake in the consortium.

Chevron officials said that if Transneft was given a stake they would insist the Russian company was excluded from voting on some issues because of the conflict of interest it would face as an operator and stakeholder.

The equity interest in the Caspian Pipeline Consortium will be allocated as follows: Russia, 24 per cent; Kazakhstan, 19 per cent; Oman, 7 per cent; Chevron, 15 per cent; Lukoil, 12.5 per cent; Rosneft-Shell, 7.5 per cent; Agip, 2 per cent; British Gas, 2 per cent; Kazak Munaigas, 1.75 per cent; and Oryx, 1.75 per cent.

Bolivia industry sale, Page 3

Major put at risk

Continued from Page 1

arithmetic would mean the government must surrender the automatic majority it enjoys on all Commons committees, including the one considering the Finance Bill, which implements the Budget.

Mr John Prescott, Labour's deputy leader, said there was unlikely to be an immediate vote of confidence in the government because Labour could not rely on the support of all the minority parties.

"You can rest assured we will take the first opportunity to get rid of this government," he said.

Sir John Gort said he felt health ministers had reneged on a deal to retain a full-time casualty unit at the hospital and that the remaining facility would be inadequate.

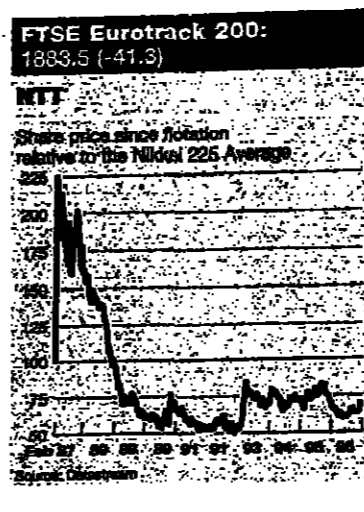
"I am today withdrawing my co-operation from the government and shall not treat the whip (party manager) as either a summons to attend the House of Commons, or as placing me under the obligation to vote as advised," he said.

THE LEX COLUMN
Greenspeak

Financial markets gave the green away yesterday. It is far from clear that Mr Alan Greenspan's reference to their "irrational exuberance" was anything more than a typically delphic utterance. But the global sell-off he precipitated reveals a deep-seated fear that the extended bull run on Wall Street is living on borrowed time. Given that US share prices look stretched on most measures, this is hardly surprising.

Ironically, although the weaker-than-expected US labour report prevented a full-scale rout, the same report holds within it the seeds of a possible future correction. Short-term, it provides the Federal Reserve with an excuse to delay a decision on interest rates until it sees the strength of consumer spending over Christmas and whether Congress tightens fiscal policy. Longer term, however, the rising wage pressures revealed in the report spell trouble for Wall Street. Higher wages will eventually show up either in increased inflation or shrinking profits. Given the difficulty producers have had in passing on price rises, the latter seems more likely. In that case, bonds look a better investment than equities.

If Wall Street has dealt for now with its jitter, the same may not be true for the City. Not only is there next week's monetary meeting, which could bring a rise in interest rates, but the feeble condition of the Tory party, now without a majority and faced with a further by-election, will test investors' nerves.



for barely-profitable short-haul routes instead. With luck, they should even be able to sell them for handsome prices.

What should investors conclude? That the biggest potential roadblock to the alliance has been removed at an affordable price. The marriage does still face plenty of other potential obstacles; in particular, a new US-UK treaty has to be negotiated. But although the UK government proposals will not silence American's US rivals, they should provide enough incentive for the US government to do a deal. BA shares, depressed by yesterday's general melée and factoring in hardly anything for the alliance's potential benefits, look an excellent bet.

though, will NTT exploit this opportunity? Building its own international network would take too much time, putting it further behind in a race where it has already started late. On the other hand, there is not much to buy, at least in the important US market: both MCI and Sprint have already been snapped up, while AT&T is presumably too big even for NTT.

The most likely strategy is therefore to form alliances. With its 60m Japanese customers, NTT would certainly be a catch. It is hardly surprising BT has been wooing it for nearly a decade. Beefed up with the MCI acquisition, BT will be a handsome suitor. But, with AT&T and Deutsche Telekom/France Télécom also in the game, NTT will be able to pick its groom.

BTR

BTR's lone stand against a collapsing FTSE 100 Index was less a vote of confidence in its trading statement than a collective sigh of relief that there was nothing worse. The conglomerate has underperformed the market by almost 35 per cent in the past year, despite the arrival of a new management team and strategy.

Yesterday's statement gave little evidence of any momentum other than the usual seasonal bias towards second-half profits. But it suggested the worst is over.

BTR's challenge is achieving sales growth from its reduced portfolio of businesses without giving away much of its already impressive 20 per cent profit margins. This will take time. But the \$346m restructuring programme is on target, and the £100m spent this year should bolster 1997 profits. Furthermore, the automotive systems division, which has been the biggest problem area for the group this year, is already showing signs of recovery.

The management should not need to do much to gain a resting. BTR shares are trading at a prospective price/earnings ratio more than 20 per cent below the market average. Yet profits are predicted to grow at an average rate next year, and the shares offer exposure to emerging markets and a number of high-quality engineering businesses. The group recently set out a corporate vision for 2000 and investors are clearly concerned that it will take that long to resolve its problems. If BTR can show real evidence to the contrary, its shares should be in for a significant rally.

NTT world expansion

Continued from Page 1

high of ¥861,000 before closing unchanged at ¥845,000. The Nikkei 225 index plunged nearly 3.2 per cent.

"The fact that they finally reached an agreement is good news because it removes a large regulatory overhang [from the shares]," said Mr Eric Gan, equity analyst at Salomon Brothers in Tokyo.

Mr Junichiro Miyazu, NTT president, was confident his company would be highly competitive internationally.

The restructuring comes 14 years after the government's first called for the break-up of the telecoms group, initially resisted by NTT, and nine years after the privatisation of



Junichiro Miyazu: confident NTT will be competitive

compete effectively against global giants such as AT&T or British Telecommunications.

The break-up is expected to stimulate greater cost-cutting which could lead to lower domestic phone charges.

Frantic day

Continued from Page 1

rate than was achieved in the first half of 1996.

The Dow's revival allowed European markets to rebound. Frankfurt finished 2.1 per cent lower, Paris lost 2.3 per cent and Amsterdam 1.9 per cent. In London, the Footsie closed with a loss of 88.2 points at 3,983.

Analysts said the markets may have read too much into Mr Greenspan's remarks.

US commentators viewed the equity sell-off as healthy given that the Dow had rallied more than 900 points since August. One said that in coming weeks the market should consolidate before resuming its upward trend.

NTT

So, after 14 years of wrangling, Japan's largest company is to be broken up - sort of. In fact, Japan's ministry of posts and telecommunications, which has been pushing for Nippon Telegraph and Telephone to be split up to promote competition, has had to swallow a compromise. The group will be broken into one long-distance and two regional businesses; but all three will be owned by a single holding company. Enhanced transparency should make it easier for rivals to gain access to NTT's network on fair terms, but not as easy as under a clean break-up.

In exchange for agreeing such a quasi-split, NTT has gained an important prize: access to the international market. Hence yesterday's rise in its shares, despite generally terrible market conditions. How,

BA/American

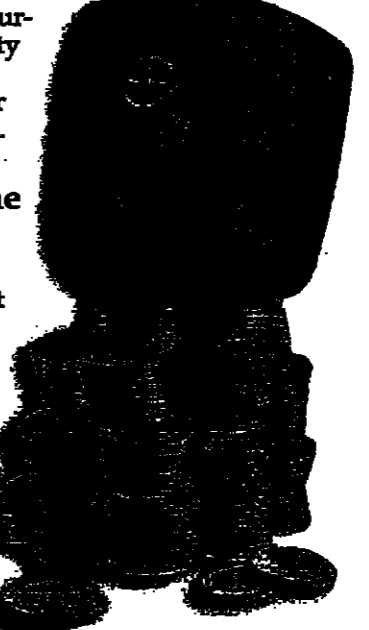
For all its threatening rhetoric, Britain has in effect given its green light to BA's planned alliance with American Airlines. Fortunately, the proposals should also do a reasonable job of constraining the deal's anti-competitive implications.

The number of Heathrow slots allocated to transatlantic flights would be increased by 23 per cent, with all the increase going to competitors. And in a particularly poignant touch, BA would have to allow rivals into its air miles scheme.

That said, BA is right not to kick up much of a fuss. BA and American would be giving up only around 5 per cent of their Heathrow slots. And crucially, there is no requirement that they should give up slots used for transatlantic flights; they could easily hand over slots used

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FT WEATHER GUIDE

Europe today

Ireland, Scotland and south-west Norway will have some rain. The northern North Sea will have gale-force southerly winds. Sardinia and most of the French mountains will have rain and snow above 1,600 metres. Spain and Portugal will have cool and unsettled conditions. Most central and eastern parts of Europe will be calm with cloud and isolated outbreaks of drizzle or snow.

Five-day forecast

An area of central Europe to the Low countries will be calm and cloudy. Northern Ireland will be cloudy while southern areas will have some sunny periods. Central and northern Italy will have some rain. Extreme south-eastern parts of Europe will be sunny and cool.

TODAY'S TEMPERATURES

Madrid	10	Beijing	8	London	10	Paris	9	Rome	12	Tokyo	10	Sydney	18	Auckland	15
Amsterdam	8	Osaka	7	Geneva	10	Moscow	5	Stockholm	4	Wellington	15	Los Angeles	18	Manila	28
Buenos Aires	15	Hong Kong	20	Bombay	28	Seoul	5	Hanoi	22	Perth	20	Singapore	28	Delhi	25
Calcutta	25	Dubai	20	Helsinki	8	London	10	Mexico City	24	Taipei	18	Manila	28	Wellington	15
Cebu	28	Dubrovnik	15	Sydney	18	London	10	Montreal	4	Los Angeles	18	Wellington	15	Wellington	15
Hankow	12	Edinburgh	8	Osaka	7	London	10	Moscow	5	Sydney	18	Los Angeles	18	Wellington	15
Yokohama	13	Edinburgh	8	Geneva	10	London	10	Moscow	5	Sydney	18	Los Angeles	18	Wellington	15
Hong Kong	20	Edinburgh	8	Bombay	28	London	10	Mexico City	24	Taipei	18	Manila	28	Wellington	15
Dubai	20	Edinburgh	8	Helsinki	8	London	10	Montreal	4	Los Angeles	18	Wellington	15	Wellington	15
Dubrovnik	15	Edinburgh	8	Sydney	18	London	10	Moscow	5	Sydney	18	Los Angeles	18	Wellington	15
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